

# AGRICULTURAL OUTLOOK

August 1984

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# AGRICULTURAL OUTLOOK

August 1984/AO-101



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# In Brief.

News of Crop Acreage, Economic Recovery, and Energy Supplies

Farmers planted 11 percent more acres to major field crops this year than in 1983. Feed grain acreage jumped 18 million to 120 million, accounting for the largest part of the increase. Soybean seedings expanded about 5 million acres, while farmers planted 3 million more acres each of wheat and cotton. With larger acreage and average yields, crop output will rebound sharply from last year.

Beef production in the second half of 1984 may be 5 percent less than a year earlier, while pork production could be down 10 percent or more. These declines will only be partially offset by a 5-percent increase in broiler production. Less meat this summer and fall should hold livestock prices above a year earlier. Nevertheless, retail meat prices will rise only moderately because total meat supplies will still be near record levels.

Higher livestock prices and larger crops should mean higher net farm income for 1984, while net cash income may be down because of increased production expenses. The first estimate of 1983 net cash income—including loans from the Commodity Credit Corporation—totaled a nominal record-high \$40.1 billion, up 9 percent from the \$36.8 billion of 1982.

While net cash income rose, net farm income fell from the \$22.3 billion (revised) of 1982 to \$16.1 billion in 1983. The decline reflects last year's record-large drawdown of crop inventories—\$5.5 billion—due to the drought and acreage reduction programs.

Crop farms received \$25.8 billion, or 64 percent of total net cash income in 1983. Livestock farms accounted for \$14.3 billion. Payment-in-kind (PIK) entitlements disbursed to crop farms in 1983 totaled \$4.537 billion, while direct cash payments likely added \$3.476 billion to crop farms' gross income.



The United States and Canada are major trading partners; however, concerns have arisen lately over rapidly escalating Canadian pork exports. The International Trade Commission is conducting a fact-finding investigation of the Canadian pork industry to assess its competitive position in the U.S. market. Also, legislation has been introduced in the United States that would allow additional duties on Canadian exports if USDA determines that Canadian pork producers are being subsidized.

Since the mid-1970's, Canadian exports of both pork and live hogs to the United States have increased tenfold, while U.S. exports to Canada have been only a sixth of earlier levels. In 1978, the United States shifted from being a net pork exporter with Canada to a net importer.

The economic recovery continues to show strength. What was expected to be a relatively weak recovery produced increases in consumer and investment spending of 8.7 and 25.4 percent, respectively, during the first six quarters of the recovery period. Following the 1974-75 recession, consumer and investment spending increased a modest 8.3 and 5.6 percent, respectively.

Employment, industrial production, and personal income statistics indicate the likelihood of continued strong but decelerating growth for the rest of 1984. Impending slower growth should strengthen the possibility of continued recovery in 1985 by reducing future problems caused by increases in inflation, interest rates, and too-rapid consumer debt expansion.

Energy supplies remain plentiful, despite hostilities between Iran and Iraq. Farmers can expect stable prices throughout the year. Energy use is expected to increase about 10 percent from 1983, as most acreage from last year's PIK programs is returned to production and harvest fuel needs return to normal.

Planning long-term agricultural policy requires an understanding of the probable economic environment for agriculture in the future. To plan farm programs, policymakers need to look at the role the United States will have in future world trade. U.S. agriculture is now part of an open and more volatile world food system. Therefore, U.S. farm policy is also shifting to recognize the importance of reliable export markets and to make allowances for price variability from foreign origin.



## Agricultural Economy

Farmers planted 11 percent more acres to major field crops this year than in 1983, when farm activity was substantially reduced by Government programs. These programs were necessary to reduce the surplus of grain and cotton built from the large harvests of 1981 and 1982. This year, however, dwindling stocks of feed grains, oilseeds, and cotton encouraged farmers to plant more acres.

Feed grain acreage jumped 18 million to 120 million, accounting for the largest part of the increase. Soybean seeding expanded about 5 million acres, while farmers put in 3 million more acres each of wheat and cotton.

Much uncertainty surrounds 1984 yields. Spring was late in the entire eastern half of the Nation, with cool, wet conditions delaying field activity. Corn planting was running about 2 weeks late in the Corn Belt, until early May when it dried off and warmed. Thus, most of this year's corn crop was planted in a short time, but yields should not necessarily be harmed. Much will depend on the weather for the rest of the growing season.

The cool, late spring probably encouraged some Corn Belt farmers to plant part of their corn acreage to soybeans, which are typically planted after the soil is warmer. Later, spring flooding also forced some farmers in the western Corn Belt to replant or switch to other crops. The impact of these floods will be evaluated this

month, and a revised assessment of planted acreage will be available in the September *Agricultural Outlook*.

In recent years, farmers in the Southeast have faced considerable plant disease and drought. As a result, more acres of sorghum are being planted after the winter wheat harvest this year. Last season, these States planted just over a million acres to sorghum. Seedings will exceed 1.9 million acres this year—equal to more than 13 percent of total U.S. sorghum acreage and double the 1982 percentage.

Soybean acreage is declining in the Southeast. Apparently, in an attempt to solve soybean disease problems, farmers who double-crop are including sorghum in an every-other year rotation. The resulting change in production patterns could require adjustments in the feed industry.

The uncertainty about the size of the 1984 feed grain and oilseed crops will affect livestock and poultry producers' decisions during the next several months. With feed grain supplies dropping to the lowest they have been in many years in some parts of the country, feed costs may be highly variable and subject to sharp swings if weather stresses the crop.

This uncertainty comes on top of changing demand for livestock and poultry. The economy has been more robust than anticipated earlier, which has added to consumer demand for meat. But with rising interest rates and the possibility of slower increases in consumer incomes late this year and in 1985, feeders will be cautious about filling feedlots, breeding sows, and placing more chicks. Also, many farmers are faced with continued cash flow problems. Expanding the breeding herd requires holding female stock from slaughter, which lowers short run cash flow.

The strong prices for livestock and poultry this summer will likely encourage greater feeding activity this fall and in 1985, if feed supplies are again abundant. The basic pattern of meat production will be affected very little during the next several months; however, because of biological lags, decisions to expand output are far in advance of larger retail meat supplies.

Beef production in the second half may be 5 percent less than a year earlier, while pork production could be down by 10 percent or more. These declines will only be partially offset by a 5-percent increase in broiler production. Even though red meat and poultry output this summer and fall will be smaller than in 1983, output will be about as large as in the first half. Thus, retail meat prices will rise only moderately. (Donald Seaborg (202) 447-8376)

## LIVESTOCK HIGHLIGHTS

### •Cattle

Commercial cow slaughter during the first half was 20 percent above a year ago—the result of tight forage supplies through late spring and the need for mixed crop-livestock operations to generate additional cash flow.

The July 1 inventory of beef cows was down 1 percent from a year earlier and the number of beef heifers being held for possible herd replacements was also down 1 percent, suggesting that producers aren't expanding their herds at this time. However, as a percentage of heifers on hand January 1, the number entering the herd during January to June was 43.9 percent, up from 39.8 percent last year.

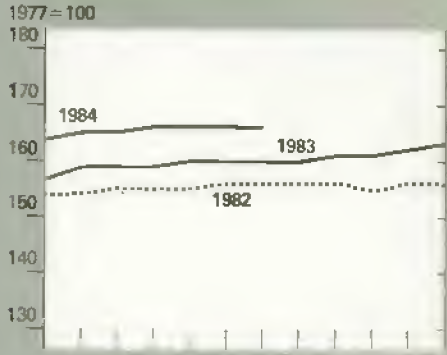
This large number of heifers entering the herd helped offset the high cow slaughter during the first half. It also suggests that producers may have had intentions of expanding the herd. The number of other heifers not intended for replacements was up 2 percent from a year earlier and supports this contention.

Two factors will influence producers' decisions concerning herd expansion or contraction in the near future. First, the outlook for adequate forage supplies in most regions is good. Pasture and range conditions are generally good to excellent in most States, with the exception of central Texas and much of Montana. Hay stocks will likely be adequate, with producer intentions to harvest an additional 2.6 million acres of hay this year.

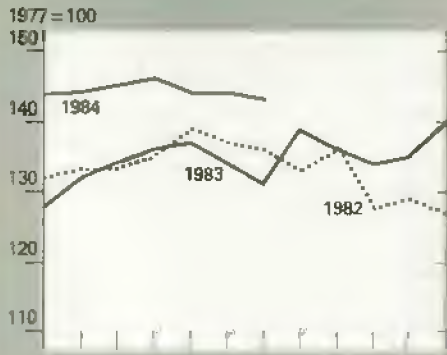


# Prime Indicators of the Agricultural Economy

Prices paid by farmers<sup>1</sup>



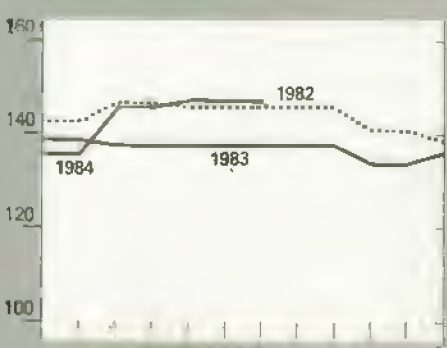
Prices received by farmers<sup>2</sup>



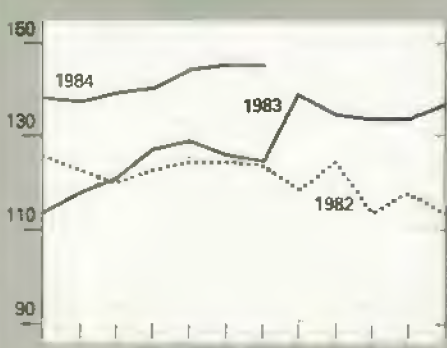
Ratio of prices received to prices paid



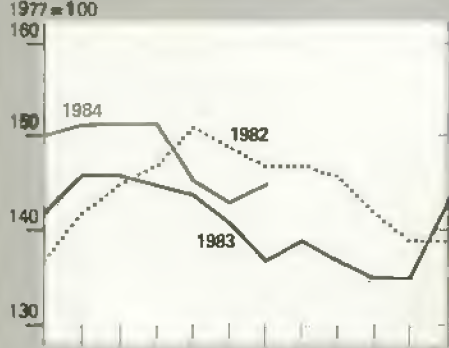
Fertilizer prices



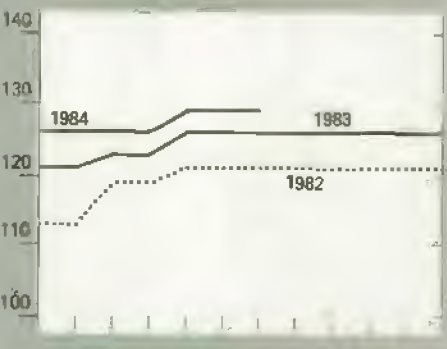
All crops



Livestock and products



Agricultural chemicals



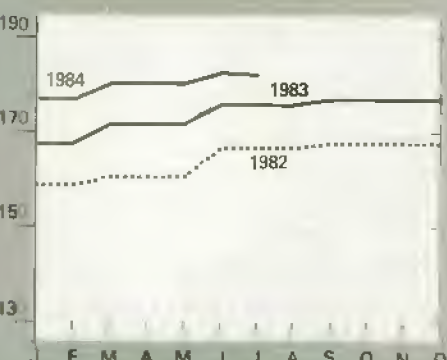
Food grains



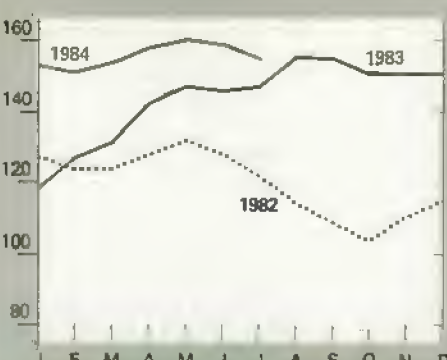
Meat animals



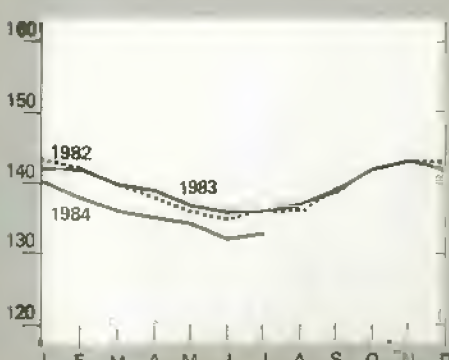
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



<sup>1</sup>For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

<sup>2</sup>For all farm products

Second, prices are expected to strengthen this fall and on into 1985, the result of declining beef and pork production. Therefore, the incentive to expand, or at least stabilize, the beef cow herd will likely be strong.

While nonfed cattle slaughter has been large since last summer, the reduced cow inventory reflects a substantially smaller base for future production. This year's calf crop was estimated at 43.4 million head, down 2 percent from a year earlier and the fourth straight year of decline. High cow slaughter and reduced replacement heifers this year point to another decline of the calf crop in 1985.

Feeder cattle supplies were down 3 percent at the beginning of the second quarter. However, the July 1 inventory of feeder cattle supplies was down less than 1 percent from July 1 last year, with the yearling supply up 1.5 percent and calves outside feedlots down 1.5 percent.

The number of cattle placed on feed in the 13 quarterly reporting States during April-June was down 5 percent from a year ago, while fed cattle marketings were up 2 percent. The July 1 inventory of cattle on feed was 4 percent below a year ago.

A higher number of cattle in the heavier weight groups, resulting from large placements of cattle on feed during the first quarter, suggests that fed cattle marketings will likely be near year-earlier levels throughout the summer and then decline this fall. However, second-half beef production will decline from the first half because of decreasing nonfed steer, heifer, and cow slaughter, as well as lower fourth-quarter fed production.

Prices for Choice steers at Omaha will likely remain between \$64 and \$68 per cwt throughout the second half. The second-quarter average was \$66. The price for yearlings at Kansas City averaged \$65.30 for second quarter, but prices will strengthen this fall as cattle feeders, encouraged by likely lower grain prices, bid up feeder cattle prices. Utility cow prices will maintain their spring-early summer strength through the second half of this year. Prices for Utility cows at Omaha averaged over \$42 per cwt this spring, and only modest declines are likely in the second half. [John Nalivka (202) 447-8636]

#### • Hogs

Hog prices in the mid-\$50's per cwt, combined with moderating feed costs, have put farrow-to-finish producers' returns above total costs for the first time in over a year. Weekly hog prices averaged \$48 to \$49 per cwt from late March through mid-June, but prices rose quickly to \$54 to \$55 in July. Meanwhile, corn prices softened about 15 cents a bushel, and soybean meal prices dropped about \$16 a ton. However, relatively high feed costs, some uncertainty about the 1984 corn crop, and tight credit will discourage producers from expanding the breeding herd until this coming fall.

In the second quarter, commercial pork production totaled 3.67 billion pounds, down 3 percent from a year ago. Slaughter equaled 21.1 million head, also down 3 percent. Hog prices were relatively steady throughout the quarter and averaged \$49 per cwt, up \$2 from a year earlier.

Commercial hog slaughter in second-half 1984 is forecast 11 percent below last year and slightly lower than what was indicated by the June 1 inventory of market hogs. Last summer, producers began to liquidate the herd. In contrast, this year producers are expected to hold the herd steady this summer and may begin to expand this fall. The average dressed weight may increase slightly. Still, commercial production is forecast 11 percent below last year.

For all of 1984, commercial production is expected to total 14.4 billion pounds, down 5 percent from last year. Increases in production during the first quarter will be more than offset by sharp declines in the second half.

The likelihood of lower pork and beef production, along with a relatively strong economy, will boost hog prices this summer and fall. However, large, burdensome stocks of frozen pork, along with rising broiler production, could limit expected price increases. Hog prices in second-half 1984 are expected to average \$52 to \$57 per cwt, compared with \$45 last year. [Leland W. Southard (202) 447-8636]

#### • Broilers

During June, the number of broiler chicks hatched was up 4 percent from the 382.2 million of a year earlier. The number of chicks hatched weekly in July suggests that third-quarter production will be 5 percent above the 3.135 million pounds produced a year ago. Second-quarter output was up 2 percent from 1983's 3,276 million pounds.

Unless prices fall sharply, broiler producers will likely continue the expansion in the fourth quarter. With red meat supplies expected to be below last year, broiler meat output from federally inspected plants in the fourth quarter may be 6 percent above last year's 2,917 million pounds.

Broiler producers might have set even more eggs if their hatchery supply flocks were larger. They have also delayed selling old hens, as seen by the decline in the weekly slaughter of heavy, mature chickens. However, as producers begin setting eggs for fourth-quarter slaughter, they should have adequate supplies of hatching eggs because of the usual seasonal decline in production and the increase in replacement pullets entering the flock.

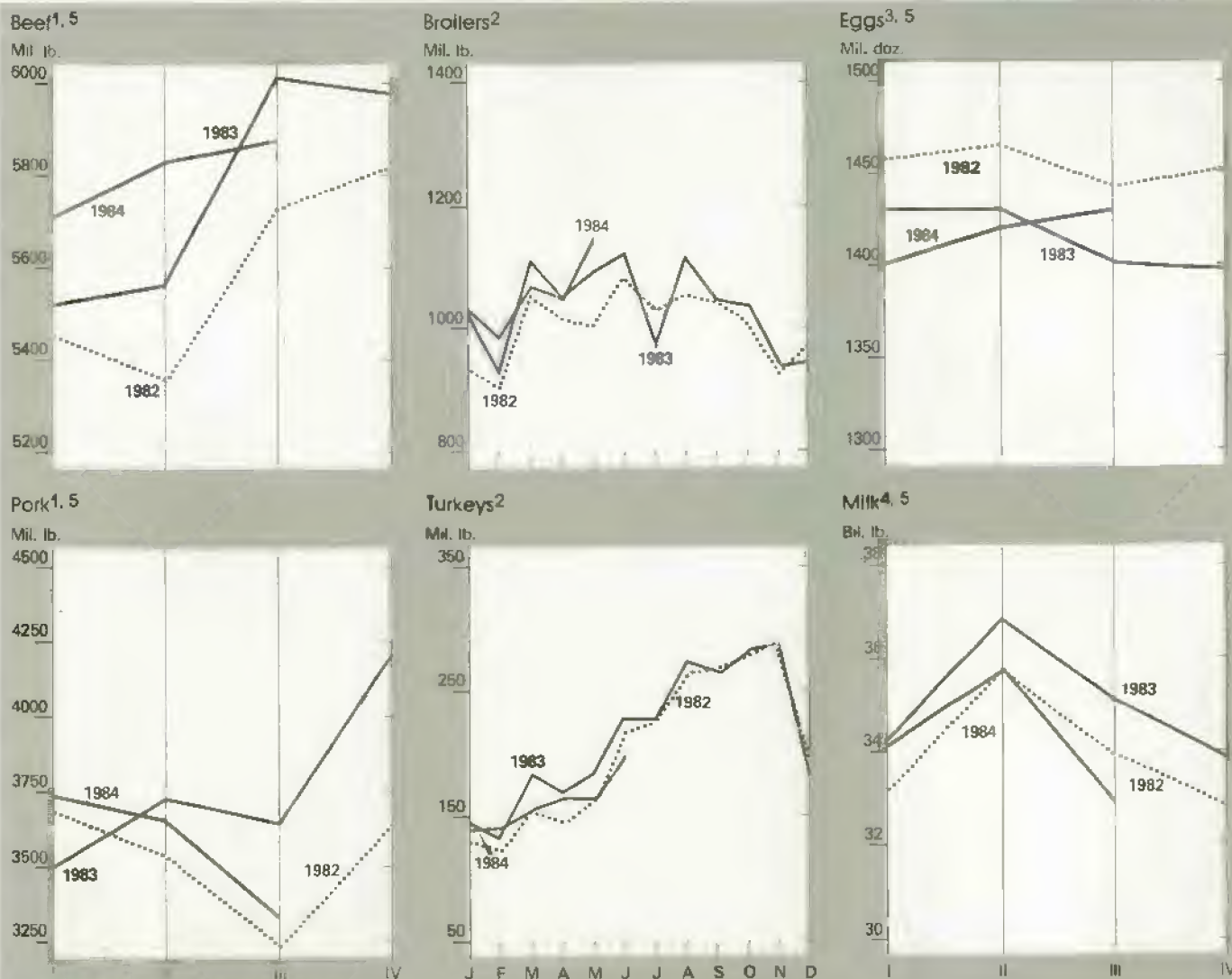
The composite price for whole birds in the 12 cities averaged 57.3 cents a pound during July, up from 53 cents last year. If the general economy stays strong and red meat supplies decline, prices during the third quarter may average 52 to 55 cents a pound, compared with last year's 54 cents. If output increases as expected in the fourth quarter, prices may average 50 to 54 cents a pound, down from 55 cents last year. [Allen J. Baker (202) 447-8636]

#### • Turkeys

During the second quarter of 1984, the output of turkey meat from federally inspected plants totaled 585 million pounds, up 1 percent from second-quarter 1983. Low returns during the main hatching season have caused a reduction in the number of poult placed for third-quarter slaughter.

Thus, third-quarter production may be 1 to 3 percent below the 760 million pounds produced in 1983. While poult placement for fourth-quarter slaughter is incomplete, preliminary indicators suggest a decline in output from the third quarter. Unless the number of eggs set sharply increases, fourth-quarter output may be 2 to 4 percent below the 759 million pounds of a year earlier.





<sup>1</sup>Commercial production. <sup>2</sup>Federally inspected slaughter, certified. <sup>3</sup>Farm production; marketing year beginning Dec. 1. <sup>4</sup>Total production. <sup>5</sup>Forecast for latest quarter.

This past May, stocks of frozen turkey in commercial warehouses increased 39 million pounds, compared with an 18-million-pound rise in 1983. Total stocks, however, have been lower in 1984 than in 1983, and with reduced output, stocks will likely stay lower.

During second-quarter 1984, prices for 8- to 16-pound hen turkeys in New York averaged 67 cents a pound, up from 57 cents last year. With third-quarter output below last year, prices may average 11 to 14 cents above 1983. With stocks of turkey likely to be below last year and output down, prices in the fourth quarter will probably strengthen and may average 72 to 76 cents a pound, up from 69 cents last year. *[Allen J. Baker (202) 447-8636]*

## • Eggs

During June, egg production was the same as a year earlier. Second-quarter production was 1,408 million dozen, nearly the same as last year's 1,405 million. Producers have been holding their old hens longer and additional replacement pullets began laying in June. The rate of lay per 100 layers on June 1 and July 1 was down 2 percent from last year. However, the number of layers on July 1 was up 3 percent, suggesting increased production in the coming months.

Even with some movement of old hens to slaughter, extra replacement pullets will result in increasing production and a higher rate of lay. So, egg production in the third quarter is expected to increase 2 percent from the 1,399 million dozen of a year earlier. During

the fourth quarter, production may be up 3 percent from last year.

Prices for cartoned Grade A large eggs in New York declined each month during the second quarter and averaged 83 cents a dozen, up from 69 cents last year, but 20 cents below the first quarter. During July, prices averaged 71.5 cents a dozen, up from last year's 68 cents. Prices may strengthen seasonally in late August and early September, putting the third-quarter average between 70 and 74 cents a dozen. If realized, this would be near the 74-cent average received in 1983.

During fourth-quarter 1984, prices may average 68 to 72 cents a dozen, down sharply from 91 cents in 1983, when egg production was 4 percent below fall 1982. [Allen J. Baker (202) 447-8636]

#### • Dairy

U.S. milk production totaled 11.8 billion pounds during June, 3.6 percent below a year earlier. June was the sixth month of the 15-month diversion program and the fifth consecutive month of year-over-year declines on a daily average basis.

During January-June, milk production was 69.9 billion pounds, 1.7 percent below a year earlier. If adjusted for leap year, production was down 2.2 percent.

The first-half decline was due to reduced dairy cow numbers, as well as lower output per cow. The dairy cow herd declined 322,000 head from November 1983 to June 1984, a drop of 2.9 percent. Cow numbers were down 2.4 percent from a year earlier. Much of the drop came from increased culling by program participants, but some nonparticipants also may have reduced their herds because of lower returns and higher costs.

In addition, output per cow during January-June (on a daily average basis) was down 0.6 percent because of reduced concentrate feeding and other management practices. June posted a 1.2-percent decline from last year. On July 1, concentrate feeding per cow was 5 percent below a year earlier.

Total milk production during 1984 is expected to decline 2.5 to 3.5 percent from last year's the record 140 billion pounds. The drop will primarily result from reduced marketings by participants in the dairy diversion program.

Farm prices for all milk during January-July averaged \$13.14 per cwt, 37 cents below a year earlier. Milk prices are expected to strengthen by yearend, but the annual average probably will be 15 to 25 cents per cwt below 1983's \$13.56. The price for all milk (adjusted for differences in deductions) may be down 20 to 30 cents.

In June, butter prices rose sharply. Prices on the Chicago Mercantile Exchange rose 18 cents a pound by the end of the month and were even above the minimum price at which the Commodity Credit Corporation will sell stocks back to the industry. These prices could not be sustained and fell 13 to 15 cents during July. However, early August prices remained 4 to 5 cents higher than in early June.

The higher butter prices reflect the improvement in the overall supply-demand balance of milk. Butter and nonfat dry milk have absorbed most of the declines in milk output. Meanwhile, demand for cream and ice cream has been very strong, and butter sales have been brisk.

With the improved balance between supply and use expected to spread from the butter and cream markets into other manufactured dairy products, prices for cheese should move higher this summer. In addition, nonfat dry milk prices may also strengthen later this year. The Bureau of Labor Statistics' (BLS) wholesale price index for all dairy products is expected to move above a year earlier by late fall.

In June, the BLS retail index for all dairy products stood at 251.7 (1967=100), up 0.8 percent from a year earlier. In contrast, the index for all food rose 3.4 percent during the same period. In 1984, retail dairy prices are expected to be 0.5 to 2 percent higher than a year earlier.

[Clifford M. Carman (202) 447-8636]

### CROP HIGHLIGHTS

#### • Wheat

As of July 1, winter wheat output was estimated at 2.02 billion bushels, the third largest crop ever. Crop development in the northern spring wheat areas is mostly good to excellent, pointing to a potential 1984 harvest of over 500 million bushels, more than 15 percent above 1983's. Total wheat production for 1984 is forecast at 2.52 billion bushels.

Yields are expected to be down some from 1983's record 39.4 bushels an acre, but around 5 million more acres will be in production because of lower participation in the 1984 acreage reduction program. The larger crop, along with ending stocks of 1.4 billion bushels, points to supplies near the records of the past two seasons.

Early-season prospects indicate a small decline for domestic use and exports in 1984/85. With total disappearance projected to about match production, ending stocks in 1985 will remain near a burdensome 1.4 billion bushels.

The forecast for foreign wheat production in 1984/85 was reduced slightly in July, but record global output is still anticipated. Except for the European Community (EC), the projections for the major foreign exporters were lowered from June's forecasts and were below last year's output.

The largest reduction is expected in Australia, reflecting dry conditions in the eastern half of the country. Wheat area is down in both Argentina and Canada because of poor planting conditions and a likely switch to more favorably priced crops. Also, Canada's yield prospects have been reduced by dry weather. Among major importers, a million-ton increase was registered in July for both Soviet and East European wheat-crop prospects. The Soviet wheat crop is expected to rise 8 million metric tons from 1983/84.

Global wheat use (excluding livestock feeding) in 1984/85 will again hit a record. Global feed use (excluding the USSR) increased about 40 percent, or 16 million tons, in 1983/84 and this high level is expected to be maintained in 1984/85. The surge in feeding is attributable to the short 1983 corn supply and subsequently higher corn prices.

Estimates for world wheat trade (July/June, excluding intra-EC trade) in both 1983/84 and 1984/85 were increased 1 million tons in July, to a record 102 million for each year. The estimate for U.S. exports in 1983/84 was revised slightly upward to 38.5 million tons. The forecast for U.S. exports in 1984/85 was also increased, to 38.1 million tons, because of decreased output from foreign exporters and an expected rise in global trade.

The Soviet wheat import forecast was raised 3 million tons to a record 23 million. Partially offsetting this gain was an expected 1-million-ton reduction in total Chinese imports (to 11 million) and a half-million-ton drop in Indian purchases. Despite the higher export forecast, the U.S. market share will likely fall for the third consecutive year, to the lowest since 1971/72. [Allen Schienbein (202) 447-8444 and Bradley Karmen (202) 447-8879]



### • Rice

Domestic disappearance estimates for 1983/84 were lowered from 60 million cwt to 59.1 million in July, reflecting slower use by brewers and, according to the June *Acreage* report, lower seed use. The drop in domestic use will likely show up in ending stocks, currently estimated at 43.8 million cwt.

Planted and harvested acreage may be below 3 million this year. The 1984 rice crop is forecast at 135 million cwt, down sharply from previous estimates of 150 million cwt or more. Still, the new crop would represent a 35-percent increase from the 1983 harvest.

Total supplies in 1984/85 may reach 180 million cwt, up modestly from the current year's 172 million. Disappearance forecasts as of July 11 remain pessimistic, with exports expected to show no improvement from 1983/84's estimated 62 million cwt (rough basis). Domestic use is estimated at 61 million cwt. Total disappearance, including residual, is estimated at 132 million cwt, leaving 48 million in stocks at the end of 1984/85. Prices for 1984/85 are forecast between \$8 and \$9.50 per cwt, still well below the target price of \$11.90.

World rough rice production in 1983/84 is estimated at 449 million metric tons (rough-basis), an 800,000-ton increase from the June forecast, reflecting larger Thai output. World rice production in 1984/85 will likely top 450 million tons, with records in China, Burma, Pakistan, and Indonesia. Output in Thailand is expected to fall from the 1983 record, but will still be the second largest ever. The forecast for the Bangladesh crop was lowered because of recent flooding.

The projection for 1984 world trade was increased 300,000 tons in July, to 12.2 million. After flood damage to its crop, Bangladesh purchased rice from Thailand and Burma; the export forecasts for Thailand and Burma were subsequently raised. Because of diminished stocks, the Philippines made major purchases in July. Japan imported rice from South Korea through repayment of an outstanding loan.

World trade in 1985 is forecast to fall below 12 million tons. Thai and Pakistani exports will likely drop slightly, but Burmese shipments are expected to continue upward. Indonesia could become the largest importer in 1985; India will likely be the biggest this year. India and Bangladesh will continue to build stocks through imports, but their purchases should be smaller. U.S. export forecasts for 1984 and 1985 remain at 2 million metric tons (milled basis). *(Barbara C. Stucker (202) 447-8444 and Bradley Karmen (202) 447-8879)*

### • Feed Grains

Prospects for corn production were decreased by flooding in the western Corn Belt in late June. Also, the July *Crop Production* report indicated a smaller oat area for harvest. These two factors equal a potential reduction of 3.7 million metric tons of grain. However, 3 million of this are to be offset by increased prospects for barley and sorghum. The area planted to these crops was somewhat larger than had been expected earlier.

Feed grain production this summer and fall is expected to total almost 238 million metric tons—an increase of more than 100 million from the reduced 1983 harvest.

The large prospective barley crop may push prices somewhat lower and increase barley feed use in 1984/85. However, a decrease in corn export prospects would put total feed grain use for 1984/85 at 216 million metric tons, 800,000 less than prospects in late June, but 8 million larger than the preliminary estimates for total use in 1983/84.

With production rising much more than use, feed grain stocks will be substantially rebuilt in 1984/85. Stocks at the end of 1984/85 are expected to be near 49 million tons—about 86 percent larger than this year's estimated carryover of 26.2 million, but only one-half 1982/83's burdensome ending stocks.

The easing supply situation is expected to result in lower average farm prices for feed grains. However, this year's reduced oat harvest will likely tighten supplies enough to strengthen oat prices.

A significant factor in this year's feed grain picture is the delay in getting the corn crop planted. Plantings this year were the latest since 1979. The late plantings do not mean lower yields per se, as evident from the large 1979 crop; however, the crop faces greater risk of early frost. Because the crop was planted late, not as much new-crop corn will find its way to market before October 1. A greater share of market needs during June-September will have to be met from the old crop or other grains.

World coarse grain production for 1984/85 was forecast at almost 794 million metric tons in July—a drop of 2.5 million from a month earlier, but still more than 100 million above the preliminary estimate for 1983/84. The reduced 1984/85 forecast was primarily due to lower Soviet and Chinese crops—down 1.5 and 2 million tons, respectively. Somewhat offsetting this were improved crop prospects in non-EC Western Europe and Eastern Europe.

Foreign (excluding the USSR) feed use of coarse grains has been relatively stagnant since 1979, although regional changes have occurred. Most significant has been the steady reduction in the European Community (EC) feed use. EC feed use has declined since the late 1970's, because coarse grains have been replaced by nongrain feed ingredients. Also, the EC has recently been using more wheat in feed rations.

The reduction in EC feed use has had a drastic impact on coarse grain imports. In 1976, imports reached a peak of 23 million tons, most of which were purchased from the United States. For 1984/85, the EC may import only about 4 million tons and become a net exporter of coarse grains. A reduction in coarse grain feeding in Eastern Europe has caused smaller U.S. exports to that region. Unlike in the EC, the reduced East European imports in recent years are due to a lack of foreign exchange or credit.

The recent decline in world coarse grain trade and U.S. exports stems from the overall stagnant trend in foreign feed use. U.S. coarse grain exports were around 70 million tons in 1979/80 and 1980/81, but dropped to a low of 53 million in 1982/83. Exports will increase in 1983/84, and they may also rise in 1984/85. Production shortfalls in several exporting countries, most notably in South Africa, and larger purchases by the USSR, Japan, and many developing countries are key factors.

U.S. corn exports for 1983/84 are forecast at 48.3 million tons. For 1984/85, the export forecast was lowered in July, from 51.4 million tons to 50.2 million, primarily reflecting an expected reduction in South African purchases next year. *(Larry Van Meir (202) 447-8776 and Bradley Karmen (202) 447-8879)*

#### • Oilseeds

Central Illinois soybean prices began the month of June at \$8.14 a bushel but slid to \$6.67 by July 31. This season's price behavior is typical of "short crop" years, when prices normally reach highs in the late spring before a big summer decline. Soybean acreage estimates met expectations and did not significantly affect prices.

According to the June Acreage report, farmers planted 68 million acres of soybeans. If yields are near trend, production in 1984/85 could exceed 2 billion bushels. However, the low 105-million-bushel carryover anticipated for 1983/84 would allow 1984/85 supplies to rise only 11 percent.

Next season will likely feature continued weak soybean meal demand at least through the first half of the year. Domestic soybean oil supplies could remain tight, although production will be greater than in 1983/84. Weak meal demand should lend support to continued price strength for vegetable oils.

U.S. soybean meal prices continue to decline. Prices were about \$180 a ton in early June, but fell to \$150 by July 31. Soybean meal supplies in 1983/84 are estimated to decline 14 percent from a year earlier, in spite of weak demand for protein feed.

Soybean oil prices averaged 35.9 cents a pound in June, after cresting near 40 cents in May. By July 31, prices had fallen to 28.3 cents. Prices may average in the low 30-cent range through the remainder of the season.

Widespread substitution of other fats and oils, e.g., animal fats, and corn and palm oil, is offsetting short supplies of soybean oil. Soybean oil consumption is expected to equal 9.6 billion pounds this season—a much lower total than would normally be expected given the economic recovery. Substitution of other oils has helped tame prices.

Prospects for 1984/85 point to a turnaround in conditions governing the current world oilseed market. Instead of tight supplies and high prices, record world production and lower prices are forecast for 1984/85.

July's estimate of world oilseed production, at 185.3 million metric tons, is 20.8 million tons (13 percent) above 1983/84 and up 3.3 million from June. World production forecasts were increased in July, despite a reduction in estimated U.S. plantings. The forecast for foreign output was raised 4.6 million tons because of better yield prospects and indications of larger planted area in several Northern Hemisphere countries. Record world soybean, rapeseed, cottonseed, and sunflowerseed crops are expected.

Sharply larger areas in Canada and Poland, plus improved yields in the United Kingdom, are behind the 1.4-million-ton increase in 1984/85 rapeseed production. A rebound in U.S., Soviet, and Pakistani cotton production is expected to push world cottonseed production up almost 2.4 million tons. For sunflowerseed, sharply larger crops in the United States and the European Community, along with a doubling of South African output from the drought-reduced 1983/84 level, may lead to a 1.8-million-ton gain in the world tally.

World soybean production will rebound strongly in 1984/85, likely accounting for around 50 percent of total oilseed production, compared with 48 percent the previous year and 52 percent in 1982/83. Most of the expected increase will be in the United States, as foreign production may be up only 1.2 million tons (3 percent). A decline of 0.5 million tons is likely in Argentina, be-

cause yields should return to more normal levels. However, Brazilian output could jump 800,000 tons to a record 16 million tons, as area expands and yields rebound from reduced 1983/84 levels.

U.S. soybean exports should increase next year because of larger domestic supplies, lower prices, reduced Argentine competition, and some pickup in world demand. U.S. exports are forecast at 22.5 million tons, 1.8 million above the 1983/84 estimate, but still almost 3 million below the 1981/82 record.

However, exports of soybean meal and oil may not fare as well. With world output of the major protein meals expected to be up 5 percent or more and growth in world livestock production likely to remain sluggish, U.S. soybean meal exports may be only 5 million metric tons, up 140,000 from 1983/84, but almost 1.5 million below 1982/83. In addition, prices will be sharply lower; U.S. prices are expected to average \$15 to \$45 a ton below 1983/84.

Continued improvement in domestic demand and large increases in foreign vegetable oil supplies may lead to a 90,000-ton reduction in U.S. soybean oil exports in 1984/85. Substantial recovery in Malaysian palm oil production has already occurred in recent months, with a corresponding drop in prices. While world oil prices will drop further in coming months (averaging below 1983/84), they will remain relatively high compared with recent years. *(Roger Hoskin (202) 447-8776 and Gerald Rector (202) 447-8912)*

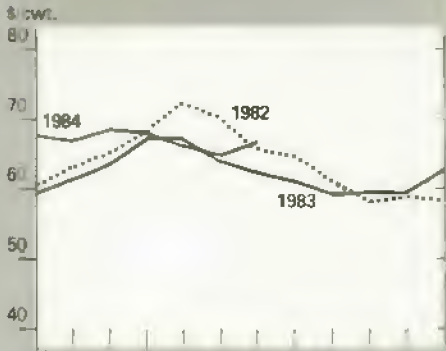
#### • Cotton

Ending stocks of U.S. cotton in 1984/85 are now forecast to reach 3.7 million bales—very close to the level that would trigger a mandatory paid land diversion of at least 5 percent and an acreage reduction program of no more than 20 percent in 1985. Rainfall in the Texas High Plains, Delta, and Southeast, plus hot weather during June and early July, raised the forecast of 1984 production nearly 3 percent to 11.8 million bales.



# Commodity Market Prices: Monthly Update

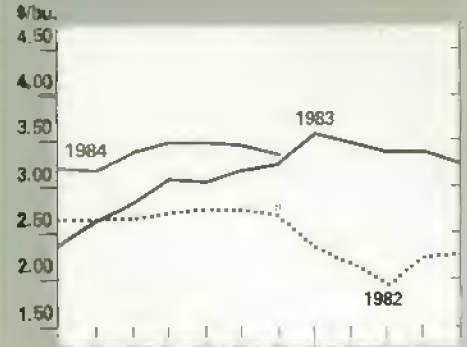
**Choice steers<sup>1</sup>**



**Broilers<sup>4</sup>**



**Corn<sup>6</sup>**



**Choice feeder cattle<sup>2</sup>**



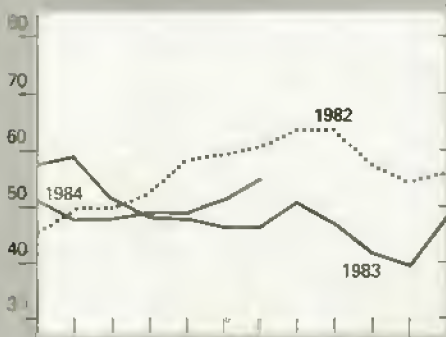
**Eggs<sup>5</sup>**



**Soybeans<sup>7</sup>**



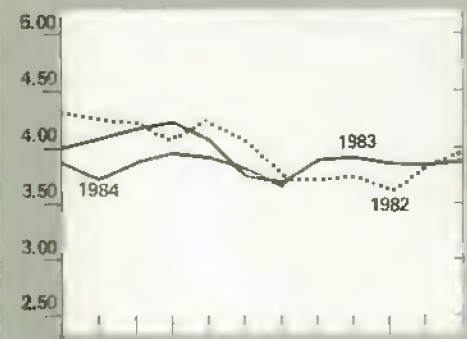
**Barrows and gilts<sup>3</sup>**



**Rice (rough)**



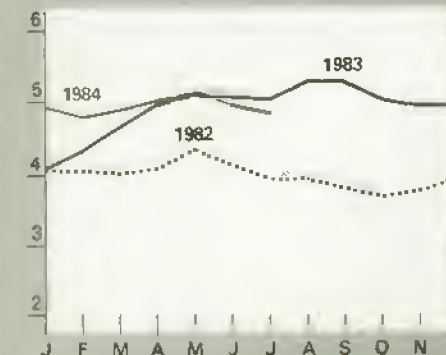
**Wheat<sup>8</sup>**



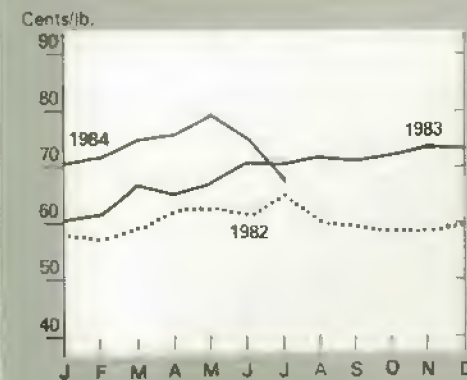
**All milk**



**Sorghum grain**



**Cotton<sup>9</sup>**



Prices for most recent month are mid-month prices.  
<sup>1</sup>Omaha, 2600-700 lbs., Kansas City. <sup>3</sup>7 markets.

<sup>4</sup>Wholesale, New York. <sup>5</sup>Grade A Large, New York.

<sup>6</sup>No. 2 Yellow, Chicago. <sup>7</sup>No. 1 Yellow, Chicago.  
<sup>8</sup>No. 1 HRW, Kansas City.  
<sup>9</sup>Average spot market, SLM, 1-16. \*

Weak mill use during March-June and a continued acceleration in textile imports during April-June have prompted new pessimism concerning U.S. consumption. Mill use during 1984/85 is now forecast to total 5.6 million bales, rather than the 5.7 million that was previously expected. Use in 1983/84 is placed at 5.9 million bales.

Prospects for world cotton production in 1984/85 indicate about a 9-percent increase to a record 73.9 million bales. This forecast is up 600,000 bales from June because of better prospects in the United States and several foreign countries.

World consumption is also expected to rise on the strength of global economic growth. Mill use is projected at 70.5 million bales, 2.8 percent higher than in 1983/84.

Global stocks are projected to increase to 28 million bales at the end of 1984/85, equivalent to almost 40 percent of consumption, compared with 36 percent for 1983/84. Most of the stock increase is projected to occur overseas, particularly in China.

Total trade, projected at 19.2 million bales, is not expected to increase significantly, even with the gain in consumption. The largest consumption gains are projected to occur in major exporting countries. Pakistan and the Soviet Union, which imported from the United States in 1983/84, are expected to meet domestic demand out of their own production in 1984.

The new twist in 1984/85 will be the shift in trade patterns. In particular, China's arrival as an exporter is expected to coincide with Pakistan's recovery. This will intensify competition, especially in East Asian markets. The United States is forecast to hold its traditional world market share of about 29 percent—down from 1983/84's unusually large 37 percent. China has yet to prove itself as a reliable supplier of quality cotton in world markets. Nevertheless, projected Chinese ending stocks of 8.7 million bales indicate enormous export potential. [Terry Townsend (202) 447-8444 and Donnel O'Flynn (202) 382-9820]

#### • *Peanuts*

The June *Acreage* report indicated that planted acreage is 1.546 million, up nearly 10 percent from last year and above earlier intentions. The acreage increase reflects a strong contract market for additional peanuts. The deadline for signing contracts for additional peanuts was April 15.

Increased acreage is indicated in all three major producing areas, with the Southeast up 13 percent; Virginia-Carolina, 4 percent; and the Southwest, 4 percent. The Southeast accounts for about 60 percent of 1984 planted acreage.

In contrast to the expected abundance of peanuts in 1984/85, current supplies are tight. The forecast for ending stocks, which are used for processing until peanuts from the new crop are available in early fall, was lowered to 670 million pounds. The lower stocks reflect an increase in seed use for 1984-crop plantings. The estimated crush has also been increased slightly. [Duane Hacklander (202) 447-8776]

#### • *Tobacco*

Production of flue-cured tobacco this season is expected to total 791 million pounds (359,000 metric tons), 4 percent below last year, 21 percent less than 1982, and the lowest since 1943. Production is down in all States, except Virginia. The average yield is forecast slightly lower than last year.

Total disappearance of flue-cured tobacco in 1983/84 likely dropped about 3 percent from the previous season's 935 million pounds because of reduced U.S. cigarette output and smaller exports. Disappearance probably exceeded 1983 marketings though, so July 1 stocks dropped. In addition, 1984 marketings are expected to fall short of use.

This season, burley use may decline from last year's 579 million pounds. Both domestic use and exports are expected to drop. However, since use is above marketings, October 1 stocks will likely fall from last year's 1.32 billion pounds. Nevertheless, growers are expected to produce more burley in 1984/85, so marketings will likely exceed use, again boosting stocks.

Unmanufactured tobacco exports during July 1983-June 1984 were 1.5 percent below a year earlier. Flue-cured exports during the 1983/84 marketing year were 1 percent below a year earlier. Burley exports will likely decline from 1982/83's 135 million pounds. [Verner N. Gries (202) 447-8776]

#### • *Fruit*

If July 1 forecasts are realized, 1984 production of noncitrus fruit (excluding dried prunes) will be 5 percent above last year. Larger crops of apricots, peaches, tart cherries, and California grapes and plums are expected. However, apple and pear crops will be down 1 and 11 percent, respectively. Even with moderately larger production, fruit prices are expected to remain firm this summer.

During the first half of 1984, the index of grower prices for all fruit averaged 16 percent above 1983. However, the June index was 60 percent above a year earlier, mainly because of higher prices for citrus and apples. Even though supplies of most summer fruit will be adequate to ample, the remaining diminished supplies of oranges will likely continue to push the grower price index well above a year earlier.

Retail prices of fresh and processed fruit have also advanced steadily this year, reflecting reduced supplies and rising demand. Retail fresh fruit prices may rise at a slower pace this summer because of larger supplies of most fruit. However, sharply reduced supplies of fresh oranges, frozen concentrated orange juice, and canned fruit will keep average retail prices of both fresh and processed fruit above a year earlier.



The 1984 California almond crop is expected to total a record 520 million pounds, shelled basis, more than twice as large as the small 1983 crop and 27 percent above the 1981 record. According to the Almond Board of California, U.S. shipments totaled around 300 million pounds during 1983/84, down slightly from the previous season because of reduced exports. However, ending stocks will remain well below a year ago because of the small 1983 crop. Nevertheless, the record crop is expected to cause prices to fall below a year ago. (Ben Huang (202) 447-7290)

#### • Vegetables

The harvested acreage of seven major fresh vegetables this summer is estimated at 271,420, slightly higher than last summer's 268,530 acres. In California, broccoli, cauliflower, sweet corn, and lettuce acreage is down 5 percent. However, for all major States, including California, increased acreage is expected for carrots, celery, sweet corn, and tomatoes; decreased acreage is likely for broccoli, cauliflower, and lettuce. The expected increase in fresh vegetable supplies should keep retail prices on their seasonally downward trend.

Honeydew melon acreage in Arizona and California is up 1,000—7 percent above last summer's 14,900 acres. The acreage for summer onions is up 2.7 percent because of increases in harvest intentions for the storage crop.

Fresh vegetable retail prices began their seasonal decline in March. Prices reached their high in February, after tight supplies from Florida and Texas put upward pressure on the composite index. Retail prices in August will continue in a seasonal trough as harvests spread across Washington, Wisconsin, and New York.

After a second consecutive season of above-average potato prices, fall potato growers are expected to increase harvested acreage 4 percent, from 1.05 million in 1983 to 1.09 million in 1984. Idaho growers, with 30 percent of U.S. fall acreage, indicated a 4.8-percent increase. North Dakota and Washington growers, representing a 22-percent share of the fall total, plan to harvest 6.5 percent more acres.

Looking back, the 1982 fall potato acreage increased 3.3 percent and production jumped 4.6 percent. Also, the U.S. season-average grower price dropped 18 percent that year, from \$5.41 to \$4.45 per cwt. If average yields prevail, fall 1984 production would reach 300,000 cwt, 4 percent more than last year. Thus, the 1984/85 average price could drop below \$5 per cwt. For the remainder of 1983/84, though, grower prices are expected to stay above last year's third-quarter average of \$6.20 per cwt, increasing the Consumer Price Index for fresh vegetables.

In July, wholesale canned vegetable prices were unchanged from June. The steady prices contrast with a 3-percent increase a year earlier, when forecasts pointed to smaller packs of snap beans, peas, sweet corn, and tomatoes.

Although increased acreage for processing vegetables indicated a larger pack this year, bad weather in principal producing regions will affect yields. Therefore, the 8-percent expansion in contracted acreage may be offset by reduced yields, which will put pressure on processors to seek production from noncontracted acreage.

Wholesale prices for frozen vegetables are being influenced by many of the same pressures felt by canned prices. Large ending stocks in 1983 reduced the 1983/84 pack of major frozen items, but brisk movement due to the economic recovery helped push prices up. Expanded acreage intentions for this year's crop will hold down further price increases until total 1984/85 pack estimates are known. (John Love (202) 447-7290)

#### • Sugar

Negotiations in Geneva for a new International Sugar Agreement (ISA) failed in late June. The current ISA will expire December 31, 1984. An administrative ISA, without economic provisions and largely restricted to maintaining statistics, will be in effect for 1985 and 1986.

Release of ISA stocks after December and the absence of ISA limits on exports should keep world sugar prices at 4 to 6 cents a pound through first-quarter 1985. Prices dropped below 5 cents a pound (f.o.b. Caribbean) in July, down from an average 5.5 cents in June and the lowest since November 1971. Depressed prices also reflect a projected addition of over 1 million tons to world stocks—the result of world sugar output rising above consumption in 1984/85. Prices averaged 8.5 cents a pound in 1983 and 8.4 cents in 1982.

The U.S. raw sugar price (c.i.f., duty/fee-paid, New York) averaged nearly 22 cents a pound in July, about the same as in the last 4 months. Prices could ease slightly during July-September because of the relatively large quota imports expected at that time.

Wholesale refined sugar prices have been unchanged since January—29.6 to 32 cents a pound, depending on the market area. Retail prices averaged 36.8 cents a pound in June, up marginally from May and 1983's 36.2 cents. Per capita sugar use is estimated at 67.6 pounds in 1984, down 3.3 pounds.

Demand for corn sweeteners, especially high fructose corn syrup (HFCS), continues strong. Per capita use of HFCS is forecast at 36.3 pounds in 1984, up 5.6 pounds from last year. Prices in June rose a half cent for HFCS-55, and up to a cent in some markets for HFCS-42. Some of the U.S. demand is being met by HFCS imports from Canada, estimated at over 100,000 tons in fiscal 1984. U.S. prices for HFCS-55 range from 23.5 to 25.2 cents a pound, dry basis—still a substantial discount from wholesale sugar prices.

U.S. sugarbeet area is estimated at nearly 1.1 million acres in 1984, up 4 percent from last season. Sugarcane area will be down about 3.8 percent. Sugar output in 1984/85 is estimated at nearly 5.8 million tons, up from 5.6 million the previous year and about equal to 1982/83. (Robert Barry (202) 447-7290)



## Farm Income Update

### 1983 Income Estimates Completed

Economic conditions within the farm sector during 1983 were both volatile and diverse. The drought and farmers' decisions on program participation created wide variations in the incomes of individual farmers. The volatility is well illustrated by the first estimates of 1983 income statistics, particularly the net cash and net farm income measures. The forecast for 1984 net farm income remains at \$30 to \$34 billion, and net cash income remains at \$34 to \$38 billion.

Although nominal cash receipts declined for the first time in 6 years in 1983, gross cash income was just below the 1982 record-high. Increased direct Government payments (cash plus payment-in-kind (PIK) disbursements) offset much of the decline in cash receipts and machine hire and custom work income, putting gross cash income at \$149.6 billion—down slightly from 1982's \$150.2 billion. Meanwhile, a 5-percent decline in total input use offset a rise of less than 3 percent in the prices of input items, leaving cash production expenses down \$3.9 billion.

Net cash income—including loans from the Commodity Credit Corporation (CCC)—totaled a nominal record-high \$40.1 billion in 1983, up substantially from the \$36.8 billion of 1982 and the previous high of \$37.7 billion set in

### Farm Income and Cash Flow Statement

Item	1980R	1981R	1982R	1983	1984F
Billion Dollars					
<b>Farm income sources:</b>					
1. Cash receipts . . . . .	140.5	142.6	144.8	138.7	144-148
Crops <sup>1</sup> . . . . .	72.7	73.3	74.6	69.5	70-74
Livestock . . . . .	67.8	69.2	70.1	69.2	72-76
Cash Government payments . . . .	1.3	1.9	3.5	4.1	2-5
Value of PIK commodities . . . . .	0.0	0.0	0.0	5.2	4-6
2. Direct Government Payments . . .	1.3	1.9	3.5	9.3	6-10
3. Other cash income <sup>2</sup> . . . . .	1.5	1.9	2.0	1.5	1-3
4. Gross cash income (1+2+3) <sup>3</sup> . . .	143.3	146.4	150.2	149.6	154-158
5. Nonmoney income <sup>4</sup> . . . . .	12.4	13.6	14.2	13.6	12-14
6. Realized gross income (4+5) . . .	155.7	160.0	164.4	163.2	167-171
7. Value of inventory change . . . . .	-5.5	7.9	-2.6	-11.7	7-11
8. Total gross income (6+7) . . . . .	150.2	167.9	161.8	151.4	176-180
<b>Production expenses:</b>					
9. Cash expenses <sup>5</sup> . . . . .	105.6	111.4	113.4	109.5	116-122
10. Total expenses . . . . .	128.9	136.9	139.5	135.3	144-148
<b>Income statement:</b>					
Net cash income: <sup>1,6</sup>					
11. Nominal (4-9) . . . . .	37.7	35.0	36.8	40.1	34-38
Deflated (1972\$) <sup>7</sup> . . . . .	21.1	17.9	17.8	18.6	15-17
Net farm income: <sup>1</sup>					
12. Nominal total net (8-10) . . . . .	21.2	31.0	22.3	16.1	30-34
Total net (1972\$) <sup>7</sup> . . . . .	11.9	15.9	10.8	7.5	13-15
Total net (1987\$) <sup>8</sup> . . . . .	8.6	11.4	7.7	5.4	9-11
13. Off-farm income . . . . .	37.6	39.8	39.4	41.0	41-45
<b>Other sources and uses of funds:</b>					
14. Change in loans outstanding <sup>9</sup> . .	15.2	15.5	6.8	2.9	6-10
Real estate . . . . .	9.4	9.3	3.7	2.1	2-6
Nonreal estate <sup>9</sup> . . . . .	5.9	6.2	3.1	0.8	2-6
15. Rental income . . . . .	6.6	5.7	5.6	4.3	4-6
16. Gross cash flow (11+14+15) . . .	58.5	56.1	49.3	47.3	47-51
17. Capital expenditures <sup>9</sup> . . . . .	18.0	16.8	13.6	13.1	13-17
18. Net cash flow <sup>1,6</sup> (16-17) . . . . .	40.5	39.3	35.6	34.2	32-36

R = revised. F = forecast. <sup>1</sup> Includes net CCC loans. <sup>2</sup> Income from custom work, machine hire, and farm recreational activities. <sup>3</sup> Numbers in parentheses indicate the combination of items required to calculate a given item. <sup>4</sup> Value of home consumption of farm products and imputed rental value of farm dwellings. <sup>5</sup> Excludes depreciation and perquisites to hired labor. <sup>6</sup> Excludes farm dwellings. <sup>7</sup> Deflated by the GNP implicit price deflator. <sup>8</sup> Deflated by the CPI-U. <sup>9</sup> Excludes CCC loans.



1980. Except for 1981, when the increase in cash sources of income failed to offset larger cash expenses, nominal net cash income has increased each year since 1977.

While net cash income rose, net farm income fell from the revised \$22.3 billion of 1982 to \$16.1 billion in 1983—the lowest nominal value since 1971's \$15 billion. Over the past few years, net farm income has been more volatile than net cash income. This can be traced to dramatic swings in the weather and the attendant large inventory adjustments.

The value of the change in farm inventories figured prominently in determining 1983 net farm income. The large 1981 and 1982 crops and resulting large carryovers were followed by the 1983 drought-reduced crop and a record-large inventory drawdown of \$11.7 billion. The 1980 drought provided the previous record inventory drawdown of \$5.5 billion. The strongest buildup of farm inventories was \$7.9 billion in 1981, but with good yields, this may be eclipsed during 1984.

Gross cash flow in 1983 fell about 4 percent from the \$49.3 billion of 1982. The sources of gross cash flow also changed considerably, with cash income from farming and rentals accounting for about 94 percent of the total. Changes in loans outstanding fell about 57 percent from 1982's \$6.8 billion and were only 16 percent of the \$18 billion average borrowed during 1979, 1980, and 1981. Although capital expenditures (excluding dwellings) declined 4 percent from the previous year's \$13.6 billion, net cash flow still fell about 4 percent to \$34.2 billion—the fourth consecutive annual decline.

Net cash flow is the sum of net cash income from farming, loans, and net rent, less expenditures for capital items. Net cash flow measures the change in cash available for business operations, real estate purchases, and household consumption.

Off-farm income is estimated at \$41 billion in 1983, up about 4 percent from the \$39.4 billion of 1982. Despite the sharp drop in net farm income, the total income of the families of farm operators was the fifth highest on record—\$24,092 per farm.

## Cash Receipts, 1980-83

	1980R	1981R	1982R	1983	Percentage change, 1982-83
	Million dollars				Percent
Crop receipts					
Food grains . . . . .	10,386	11,616	11,548	9,956	-13.8
Wheat . . . . .	8,836	9,848	9,990	9,018	-9.7
Rice . . . . .	1,519	1,729	1,515	874	-42.3
Rye . . . . .	30	39	43	64	50.1
Feed grains and hay . . . . .	18,318	17,144	18,274	16,808	-8.0
Corn . . . . .	13,966	12,790	13,543	12,193	-10.0
Oats . . . . .	303	373	346	341	-1.5
Barley . . . . .	738	864	806	962	19.3
Grain sorghum . . . . .	1,394	1,259	1,570	1,106	-29.8
Hay (all) . . . . .	1,918	1,857	2,010	2,207	9.8
Oil crops . . . . .	15,497	13,857	13,961	13,300	-4.7
Soybeans . . . . .	14,246	12,247	12,661	12,008	-5.2
Peanuts . . . . .	606	1,048	818	787	-3.8
Other oil crops . . . . .	645	562	482	505	4.7
Cotton lint and seed . . . . .	4,478	4,551	4,948	4,283	-13.4
Tobacco . . . . .	2,672	3,250	3,342	2,831	-15.3
Fruit and nuts . . . . .	6,535	6,561	6,726	6,153	-8.5
Vegetables . . . . .	7,285	8,743	8,065	8,233	2.1
Other crops . . . . .	7,538	7,620	7,759	7,953	2.6
Subtotal, crops . . . . .	72,707	73,342	74,623	69,516	-6.8
Livestock receipts					
Red meats . . . . .	40,855	39,779	40,940	38,826	-5.2
Cattle . . . . .	28,947	27,417	27,935	26,649	-4.6
Calves . . . . .	2,518	2,161	1,971	2,045	3.8
Hogs . . . . .	8,921	9,785	10,586	9,714	-8.2
Sheep and lambs . . . . .	470	416	447	418	-6.6
Poultry and eggs . . . . .	9,157	9,949	9,534	9,960	4.5
Broilers . . . . .	4,305	4,650	4,482	4,849	8.2
Turkeys . . . . .	1,269	1,247	1,246	1,262	1.3
Eggs . . . . .	3,247	3,649	3,437	3,443	0.2
Other poultry . . . . .	336	405	369	406	9.9
Dairy products . . . . .	16,587	18,128	18,273	18,808	2.9
Wholesale milk . . . . .	16,274	17,797	17,985	18,530	3.0
Retail milk . . . . .	312	331	288	278	-3.5
Other livestock . . . . .	1,201	1,358	1,392	1,609	15.6
Subtotal, livestock . . . . .	67,800	69,214	70,139	69,203	-1.3
Total receipts . . . . .	140,507	142,557	144,762	138,719	-4.2

R = revised.

Totals may not add because of rounding.

### Cash Receipts Fall

Total cash receipts from 1983 marketings of farm products declined 4.2 percent from 1982's \$144.8 billion. Crop receipts decreased 6.8 percent from the \$74.6 billion of 1982, and livestock receipts fell 1.3 percent from the previous year's \$70.1 billion.

For livestock, lower prices offset larger marketings. Production increased for pork, up 7 percent; beef, 3 percent; and broilers, 2 percent. Higher average prices for crops were more than offset by a drop in the volume of marketings during the second half of the year.

### Crop Receipts Reflect Drop in Production

Crop cash receipts fell to \$69.5 billion in 1983, reflecting the 26-percent decline in production. Receipts were down for every major crop except barley, hay, sunflowerseed, vegetables, and greenhouse and nursery items.

Stronger crop prices and PIK loan redemptions put the 1983 net CCC loan value at minus \$749 million, compared with the record-large \$9.1 billion of 1982. Most of the redemptions occurred during the last three quarters of the year, with the first quarter showing a net loaned amount of \$2.4 billion.

Feed grain receipts for 1983 fell 8 percent. Lower corn and sorghum receipts outweighed higher ones for hay and barley.

For corn and sorghum, large first-half marketings from the record-large 1982 crop and heavy use of CCC loans raised receipts for these crops during the first half of 1983. Despite strong second-half prices, a decline in marketing volume reduced receipts for the latter part of the year. Corn production fell 49 percent to 4.2 billion bushels.

Barley receipts rose 19 percent, as both production and prices increased. Little affected by drought, barley farmers benefited from the corn and sorghum PIK programs as second-half prices and receipts increased.

Cash receipts from food grains fell 14 percent in 1983 because of a 42-percent drop in rice receipts and 10-percent decline in wheat receipts. Rice receipts fell because production was down 35 percent.

### Farm Production Expenses, 1980-83

	1980R	1981R	1982R	1983	Percentage change, 1982-83
		Million Dollars			Percent
Farm-origin inputs . . . . .	32,575	31,681	30,523	31,223	2.3
Feed . . . . .	18,783	18,755	16,855	18,963	12.5
Livestock . . . . .	10,441	8,996	9,684	8,792	-9.2
Seed . . . . .	3,351	3,930	3,985	3,468	-13.0
Manufactured inputs . . . . .	22,864	24,489	22,856	20,861	-8.7
Fertilizer . . . . .	9,922	10,074	8,817	7,427	-15.8
Fuels and oils . . . . .	7,876	8,855	8,321	7,652	-8.0
Electricity . . . . .	1,760	1,975	2,101	2,267	7.9
Pesticides . . . . .	3,306	3,585	3,617	3,516	-2.8
Total interest charges . . . . .	16,261	19,864	22,183	21,242	-4.2
Short-term interest . . . . .	8,717	10,722	11,702	10,367	-11.4
Real estate interest . . . . .	7,544	9,142	10,481	10,875	3.8
Other operating expenses . . . . .	27,100	28,347	31,111	30,582	-1.7
Repair and operation . . . . .	8,074	8,095	8,230	8,174	-0.7
Hired labor . . . . .	10,272	10,168	12,069	11,677	-3.2
Machine hire & custom work . . . . .	2,247	2,768	2,835	2,146	-24.3
Dairy deductions . . . . .	0	0	0	640	—
Miscellaneous operating . . . . .	6,507	7,315	7,977	7,945	-0.4
Other overhead expenses . . . . .	30,147	32,516	32,808	31,413	-4.3
Depreciation . . . . .	21,372	23,412	23,604	23,141	-2.0
Taxes . . . . .	3,942	4,246	4,401	4,588	4.2
Net rent to non-operator landlords . . . . .	4,833	4,858	4,803	3,684	-23.3
Total production expenses . . . . .	128,847	136,896	139,482	135,321	-3.0

R = revised.

For oil crops, receipts fell 5 percent from the \$14 billion of 1982. Soybean receipts fell 5 percent, and peanut receipts declined 4 percent. Receipts for sunflowerseed and flaxseed each rose as stronger prices outweighed reduced volume. Cash receipts from cotton and cottonseed marketings dropped 13 percent to \$4.3 billion. The drought and acreage reductions cut 1983 output 35 percent, contributing to reduced marketings during the second half. Substantial marketings of PIK cotton didn't occur during the final quarter.

Cash receipts for vegetables rose 2 percent to \$8.2 billion, following 1982's 8-percent decline. Receipts for potatoes (up 2 percent) and tomatoes (even with 1982), accounted for about 32 percent of total vegetable receipts. The index of commercial vegetable prices rose 3 percent last year, after falling 7 percent in 1982.

For fruit and nuts, low prices and reduced second-half production were the main reasons behind a 9-percent decline in cash receipts. Receipts for oranges, down 7 percent; grapes, down 10 percent; and apples, down 5 percent accounted for 53 percent of the \$6.2 billion in total fruit and nut receipts. Tree nut receipts fell 22 percent and accounted for 10 percent of the total. The index of grower prices for all fruit fell 27 percent, mostly because of large supplies of citrus fruit.

### Livestock Receipts Down 1 Percent

Cash receipts from marketings of livestock and products totaled \$69.2 billion, down about 1 percent from the 1982 nominal record. Farm prices for all livestock and products fell about 3 percent, while the total volume marketed increased. Lower cash receipts from cattle and hogs outweighed higher receipts from broilers, turkeys, calves, and milk.



For meat animals, cash receipts in 1982 were \$40.9 billion, but they fell 5 percent to \$38.8 billion last year. Cash receipts for cattle dropped about 5 percent because of a 2-percent reduction in marketings and lower prices. Although the economic recovery improved real per capita income and consumer demand during 1983, large total meat supplies left the average farm price for cattle at \$55.72 per cwt, its lowest nominal level since 1978. Cash receipts for hogs fell 8 percent, after rising the previous 2 years. Lower prices for hogs outweighed a 3-percent increase in marketings.

Poultry and egg receipts rose about 4 percent to \$10 billion. Stronger prices and production led to an 8-percent rise in broiler receipts. Meanwhile, increased turkey production outweighed lower prices and led to a slight gain in turkey receipts. Cash receipts for eggs were largely unchanged at \$3.4 billion, despite higher prices. Dairy cash receipts increased 3 percent to \$18.8 billion because of a 3-percent rise in marketings due to a 2.3-percent expansion in output per cow and a 0.8-percent increase in cow numbers.

#### **Production Expenses Fall 3 Percent**

One of the most significant impacts of the PIK and acreage-control programs was the large reduction in farm input use, which triggered the drop in production expenses. Acreage reduction was the major force behind the 3-percent decline in 1983 farm production expenses. Expenses, which had declined only twice since 1940 (1949 and 1953), totaled \$135.3 billion, compared with \$139.5 billion in 1982. Total cash expenses fell 3.4 percent to \$109.5 billion. The increase in prices paid by farmers for all items slowed to about 3 percent in 1983, mirroring the moderation in the general inflation rate.

Nearly all expenses associated with crop production declined because of reduced planted acreage. Outlays fell for fertilizer, fuel, labor, seed, interest, and machine hire and custom expenses. Total farm input use declined about 5 percent, the largest year-to-year drop since 1934.

Besides the decline in planted acreage, the reduction in harvested acreage caused by the drought also contributed to declining input use. Acreage abandonment meant less custom harvesting, lower repair costs, and reduced fuel costs. The smaller corn crop required less fuel for drying, and the reduced cotton crop required less ginning. Expenses for cotton ginning, which were \$521 million in 1982, declined 32 percent to \$354 million last year.

Production expenses for farm-origin inputs (feed, purchased livestock, and seed) accounted for 23 percent of total expenses. These expenses, except for seed, are associated with the production of livestock and rose about 2 percent from 1982's \$30.5 billion. Higher feed prices, combined with a slight rise in use, moved feed expenses up more than 12 percent.

Outlays for feeder and replacement livestock fell about 9 percent in 1983, after rising nearly 8 percent in 1982. The number of animals purchased fell because of declining interstate shipments of cattle and sheep. This more than offset the increase in shipments of hogs. Overall prices for feeder livestock declined.

Seed expenses in 1983 dropped 13 percent because of reductions in planted acreage. Planted acres declined significantly for corn, down 26 percent; sorghum, 27 percent; rice, 34 percent; cotton, 30 percent; and soybeans, 11 percent. Seed prices remained largely unchanged, as higher prices for corn, sorghum, and alfalfa offset lower prices for wheat, soybeans, and potatoes.

Expenses for manufactured inputs (fuel, fertilizer, electricity, and pesticides) registered the largest percentage decline because of sharply curtailed use and fertilizer and fuel price decreases. Manufactured input expenditures fell 9 percent from the \$22.9 billion of 1982. Fuel prices dropped about 3 percent (the second consecutive annual decline) because of large supplies relative to demand. Combined with a decline in the amount of fuel used, fuel expenses slipped 8 percent, after falling 6 percent in 1982.

Fertilizer expenses fell 16 percent from the \$8.8 billion of 1982. Reduced demand, caused mostly by acreage-reduction programs, led to declining fertilizer prices during the year. Meanwhile, pesticide expenses, another farm input derived from petrochemicals, dropped about 3 percent from 1982's \$3.6 billion, mostly because of reduced use. Pesticide prices rose little during the year.

Total farm interest expenses declined 4 percent to \$21.2 billion in 1983. Interest paid on real estate debt rose, but nonreal estate expenses declined from 1982's \$11.7 billion. Interest rates charged by farm lenders for short-term credit declined measurably from the 1982 averages. The simple average interest rate for Production Credit Association loans was about 11.9 percent in 1983, down from 14.6 percent in 1982.

Although total nonreal estate debt on January 1, 1984, fell almost 4 percent to \$103 billion, average nonreal estate debt increased somewhat. All the decline in interest expenses for nonreal estate loans resulted from lower interest rates paid on outstanding debt, and was the first year-to-year decrease since 1954. The percentage of total expenses accounted for by short-term interest charges, which measured 7.8 and 8.4 percent in 1981 and 1982, respectively, declined to 7.7 percent in 1983.

Although long-term interest rates fell last year, the drop didn't substantially affect the average rate on real estate debt in 1983 because of the longer turnover time for this type of debt. Average real estate debt, like nonreal estate debt, rose at a reduced pace compared with the last few years. Real estate interest expenses rose 4 percent to \$10.9 billion and accounted for 8 percent of total expenses.

Because of the substantial drop in capital expenditures during the past few years, depreciation of farm capital declined 2 percent in 1983, the first drop since 1946. The continuing substitution of machinery for labor, together with rising machinery prices, had pushed depreciation, (measured at replacement value) up substantially until recently. Capital expenditures fell 16 percent in 1982, and another 7 percent in 1983.

**Government Payments Up Sharply**  
Government payments contributed significantly to 1983 gross farm income. Cash payments for deficiency, diversion, storage, and conservation programs totaled \$4.1 billion, up from \$3.5 billion in 1982. This helped stabilize farm income and contributed to cash flow. PIK payments (valued at the loan rate for the individual crop loan) totaled \$5.2 billion in 1983, leaving total direct Government transfers at \$9.3 billion.

Payments from the feed grain program (deficiency, diversion, and disaster) totaled \$1.3 billion (including \$883 million of diversion) and accounted for the largest share of cash payments. These were followed by wheat program payments, at \$864 million (\$618 million for price deficiency); cotton, \$662 million (\$588 million for price deficiency); and storage payments, \$603 million (\$48 million for PIK storage).

The total value of 1983 PIK commodities (at loan rates) is estimated at \$9.8 billion, with about 53 percent disbursed in 1983 and the remaining 47 percent disbursed in 1984.<sup>1</sup> PIK wheat, at \$2.1 billion, was the largest category in 1983 disbursements. This was followed by corn at just under \$2.1 billion; cotton, \$0.5 billion; sorghum, \$0.3 billion; and rice, \$0.2 billion.

Texas garnered the largest share of PIK, estimated at \$559 million, followed by Iowa with \$528 million and Nebraska with \$431 million. These three States accounted for 29 percent of total PIK disbursements during 1983.

<sup>1</sup>The calendar-year breakout of PIK entitlements was based on CCC reports and ERS estimated distributions. The data are preliminary pending final ASCS tabulations.

### Record Inventory Decline

The value of the change in crop and livestock inventories had a substantial role in determining 1983 net farm income. Traditional net farm income accounts include income from production as well as income and expense imputations for the rental value of farm dwellings, the value of home consumption, depreciation, and inventory changes. The volatility of net farm income in recent years may be traced to dramatic

Estimates of Cash Income by Type of Farm, 1982 and 1983

Item	Unit	Total all farms	Total crop farms	Cash grain <sup>2</sup>	Cotton	Tobacco
Number of farms						
1982 .....	Thou.	2,400	1,100	575	31	138
1983 .....		2,370	1,087	568	31	136
Cash receipts						
1982 .....	\$Mil.	144,762	71,386	36,576	4,726	3,315
1983 .....		138,719	66,670	33,336	4,160	2,865
Gov't payments <sup>3</sup>						
1982 .....		3,492	3,043	2,135	652	23
1983 .....		9,295	8,013	6,346	1,035	68
Other cash income						
1982 .....		1,973	1,229	712	80	37
1983 .....		1,540	943	543	61	28
Gross cash income						
1982 .....		150,227	75,658	39,423	5,458	3,375
1983 .....		149,554	75,626	40,225	5,256	2,961
Cash expenses						
1982 .....		113,384	53,657	29,873	3,574	2,211
1983 .....		109,484	49,853	27,572	3,303	2,064
Net cash income						
1982 .....		36,843	22,001	9,550	1,884	1,164
1983 .....		40,070	25,773	12,653	1,953	897
Net cash income per farm						
1982 .....	Dollars	15,351	20,000	16,608	60,774	8,434
1983 .....		16,907	23,710	22,276	63,000	6,596

<sup>1</sup> Includes PIK entitlements.

<sup>2</sup> Includes wheat, rice, corn, soybeans, sorghum, and other cash grain crops.

<sup>3</sup> Includes field crops, except cash grain crops.

changes in the weather and the attendant large swings in inventories. The large 1981 and 1982 crops and resulting big carryovers were followed by the 1983 drought-reduced outturn and subsequent inventory drawdown.

The first estimate of the value of the change in inventory in 1983 stands at minus \$11.7 billion. This record-large decline reflected the selling of crop inventories as farmers attempted to maintain receipts.

Corn inventories were drawn down a record \$8.1 billion, mostly because of the 49-percent drop in 1983 corn production. This one crop accounted for 69 percent of the total inventory adjustment. In comparison, the value of the change in total livestock inventories—fairly stable since 1980—amounted to just minus \$0.3 billion.

### CASH INCOME BY TYPE OF FARM

Out of total net cash income (including CCC loans), crop farms received an estimated 64 percent or \$25.8 billion in 1983. Meanwhile, livestock farms accounted for an estimated \$14.3 billion. In 1982, crop farms are estimated to have netted \$22 billion, and livestock farms saw a net cash income total of \$14.8 billion. The estimated increase in crop farms' cash income was due primarily to a \$5 billion rise in Government payments and a \$3.8 billion reduction in cash expenses, which outweighed a drop in cash receipts. PIK entitlements disbursed to crop farms in 1983 totaled \$4.537 billion, while direct cash payments likely added \$3.476 billion to crop farms' gross income.

Cash grain farms accounted for almost half of the net cash income total for all crop farms—\$12.7 billion, up from \$9.6 billion in 1982. Reduced production expenses and higher Government payments, due mostly to PIK disbursements, were the key factors, because cash receipts fell.



Other field crops <sup>a</sup>	Vegetables and melons	Fruit and tree nuts	Horticulture specialty	General crop farms <sup>a</sup>	Total livestock farms	Cattle, hogs, and sheep <sup>b</sup>	Dairy	Poultry and eggs	Animal specialty farms	General livestock farms <sup>d</sup>
133	34	87	32	70	1,300	1,005	163	50	48	34
132	34	86	31	69	1,283	992	161	49	47	34
6,268	5,630	6,620	4,312	3,939	73,376	41,178	19,326	9,905	1,237	1,730
6,294	5,726	6,074	4,464	3,751	72,049	38,976	19,679	10,284	1,420	1,690
57	31	8	1	136	449	358	48	13	1	29
160	69	18	4	313	1,282	1,015	140	39	2	86
122	47	107	30	94	744	525	130	25	41	23
96	36	81	25	73	597	413	110	21	35	18
6,447	5,708	6,735	4,343	4,169	74,569	42,061	19,504	9,943	1,279	1,782
6,550	5,831	6,173	4,493	4,137	73,928	40,404	19,929	10,344	1,457	1,794
4,844	2,914	4,556	2,539	3,146	59,727	38,006	11,681	7,828	932	1,280
4,520	2,734	4,331	2,402	2,927	59,831	36,871	12,227	8,346	927	1,260
1,803	2,794	2,179	1,804	1,023	14,842	4,055	7,823	2,115	347	502
2,030	3,097	1,842	2,091	1,210	14,297	3,533	7,702	1,998	530	534
12,052	82,176	25,045	56,375	14,614	11,416	4,034	47,993	42,300	7,229	14,764
15,379	91,088	21,419	67,452	17,536	11,143	3,561	47,839	40,776	11,277	15,706

<sup>a</sup> Includes farms from which crop sales account for 50 percent or more of total receipts.

<sup>b</sup> Includes farms, ranches, and feedlots.

<sup>d</sup> Includes farms from which livestock sales account for 50 percent or more of total receipts.

Estimated net cash income per vegetable and melon farm, at over \$91,000, was up 11 percent from 1982 and was the highest of any other SIC crop or livestock farm. Horticultural specialty farms, which include greenhouses, nurseries, and ornamental plant farms, were estimated to have the second highest net cash income per farm, \$67,452.

Dairy farms had cash receipts equal to 27 percent of total cash receipts for livestock farms, yet with \$7.7 billion, they were estimated to have accounted for 54 percent of livestock net cash income in 1983. Only cash grain farms likely had larger aggregate net cash income. On a per farm basis, dairy farms totaled an estimated \$47,839, the largest per farm net cash income for the livestock sector. The second largest was for poultry and egg farms, which received an average \$40,776.

Dairy cash income was estimated to have remained almost constant from 1982 to 1983, as a 2-percent increase in cash receipts was offset by higher expenses. Milk deductions of about \$3,607 per dairy farm exceeded the estimated \$2,590 increase in feed expenses per farm. Feed expenses likely increased about \$925 per farm for cattle, hogs, and sheep, contributing to an 11-percent decline in net cash farm income per farm.

The combined category of cattle, hog, and sheep farms was estimated to have accounted for 25 percent of all livestock cash farm income, or \$3.5 billion. However, when this is averaged over almost 1 million farms, the per farm cash income of \$3,561 is the lowest of all farm types. This average is probably not a good reflection of actual experiences since many of these 1 million farms are likely part-time or hobby operations rather than full-time commercial farms or ranches.

The PIK program improved the cash income of cash grain and cotton farms in 1983. The PIK-induced decrease in production expenses was almost as important as the in-kind payments. The PIK-related reduction in cash costs, estimated to be about \$4,051 per cash grain farm, was 62 percent of the estimated \$6,528 in-kind payment received per farm. For cotton farmers, the estimated reduction in cash production expenses, \$8,742 per farm, was 57 percent of the \$15,419 in-kind payment. Because of PIK's impact on expenses, the boost in cash income was much more than the value of the commodities received in-kind. [Gary Lucier and Agapi Somwaru (202) 447-2317]

#### *Definitions of Net Cash and Net Farm Income*

*Net cash income* measures the total income that farmers choose to receive in a given calendar year, regardless of the amount of production or the year the marketed output was produced. It approximates that income available to farmers for purchasing assets, such as machinery or land; retiring loans; and paying off all other expenditures, including operating the farm household. It is the difference between the gross cash income received from farming activities less the cash expenses incurred during a calendar year.

*Net Farm Income* measures the income generated from a given calendar year's production. It approximates the net value of agricultural production, regardless of whether the commodities are sold, fed, or placed in inventory during the year. It does not measure the income that farmers have at their disposal. Net farm income is the difference between gross farm income (including inventory change) and total farm production expenses. Unlike net cash income, this income series includes farm household benefits and expenses. The net farm income series is used in the National Income and Product Accounts to derive gross farm product and proprietor's net farm income.



## World Agriculture and Trade

### *Rising Canadian Pork Exports Worry U.S. Producers*

The United States and Canada are major trading partners; however, problems have arisen recently over rapidly escalating Canadian pork exports. The International Trade Commission (ITC) is conducting a fact-finding investigation of the Canadian pork industry to assess its competitive position in the U.S. market. Also, legislation has been introduced in the United States that would allow additional duties on Canadian exports if USDA determines that Canadian pork producers are being subsidized.

The trends in Canadian-U.S. pork trade are clear. Since the mid-1970's, Canadian exports of both pork and live hogs to the United States have increased tenfold, while U.S. exports to Canada have been only a sixth of earlier levels. In 1978, the United States shifted from being a net pork exporter with Canada to a net importer. According to Canadian export data for the first half of 1984, Canadian pork shipments to the United States are up 25 percent, and live hog exports have more than doubled since last year.

Canadian pork exports to the United States are a significant item and were nearly 20 percent of Canada's agricultural exports to this country in 1983. Nevertheless, Canadian pork and live hog exports are small relative to U.S. production. In 1983, Canadian pork and live hog exports were about 2 percent of U.S. production.

### *Rapid Growth in Canadian Pork Output Spurs Exports*

The growth in Canadian pork exports partly reflects sharp increases in output. Hog inventories and production escalated in 1978, following steep price increases in 1977, and have since remained high. This production growth has been marked by expanded marketings in eastern Canada, especially in Quebec, and no growth in western Canada.

Over the past decade, hog production in western Canada, the primary grain-producing area, has been more variable than in the eastern part of the country. Hog production in the West fell sharply in the mid-1970's, when world grain prices escalated and farmers chose to export their grain rather than feed it to hogs. In contrast, many eastern farmers entered hog production in the early and mid-1970's, when marketing quotas under supply management programs limited entry into poultry and dairy production.

Canada's transportation policy tends to penalize western livestock producers and favor easterners. Before January 1, 1984, the Government maintained low, fixed freight rates for grain shipped out of western Canada for export. This policy effectively subsidized grain exports. Grain producers received a higher price than they would have without the policy. The higher grain prices not only encouraged western grain producers to market their grain directly, rather than through hogs, but also raised their feed costs.

Freight rates were increased in 1984 and will continue to rise as a result of new legislation. In the long run, the higher freight rates could have positive implications for western hog producers. (See *Agricultural Outlook*, "Canada's New Rail Law: Effects on U.S. Trade," April 1984.)

Before 1976, hog producers in the Eastern Provinces and British Columbia benefited from the Feed Freight Assistance Program, which provides transportation subsidies on feed grains moving from Thunder Bay, Ontario, to points east and on feed grains moving into British Columbia from the western Provinces. This program effectively lowered feed costs in the East. However, the Government reduced or eliminated many of the subsidies in 1976.

### *Canadian Programs Cushion Price Drops*

Canadian hog producers are covered by both Federal and Provincial stabilization programs. At the Federal level, the Agricultural Stabilization Act (ASA) provides price support for a number of commodities, including hogs. Under the program, producers receive a deficiency payment when the final producer price of the specified commodity falls below 90 percent of the previous 5-year average, adjusted for changes in cash costs of production.

Payments of Can\$43 million and Can\$106 million were made to hog producers under the ASA in 1979/80 and 1980/81, respectively. These payments equaled about 3 percent of cash receipts from hogs in 1979/80 and almost 8 percent in 1980/81. A deficiency payment was also made for 1983/84.

Over the past 5 years, hog producers have been the largest beneficiary of ASA payments, and Ontario and Quebec producers, with about two-thirds of Canada's hogs, have been the largest recipients.

Every Canadian Province except Newfoundland also operates a price stabilization program for hog producers. Several Provinces began their programs in the mid-1970's, when rising farm costs and prices rendered the ASA largely ineffective.

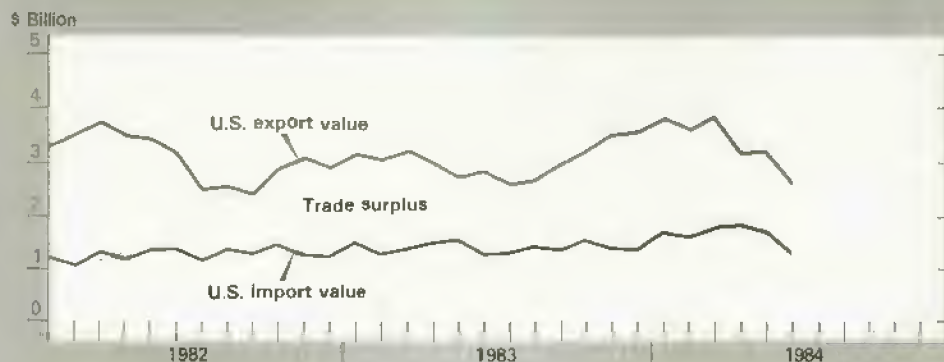
The programs share several basic features. They are voluntary, and costs are shared by producers and the Provincial governments. Coverage is restricted to a certain number of hogs per producer. Each program supports hog prices by means of a deficiency payment, with payments generally based on the difference between market returns and costs of production.

The Canadian Federal Government contends that the Provincial hog stabilization programs have resulted in a misallocation of resources and have disadvantaged the industry as a whole by allowing Provincial treasuries to influence industry profitability. The Federal Government recently introduced legislation that would create a

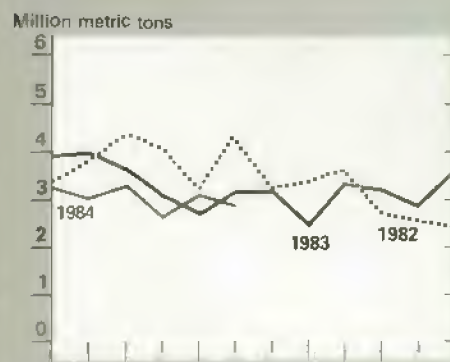


# U.S. Agricultural Trade Indicators

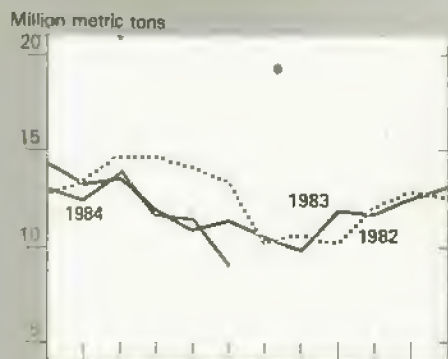
## U.S. agricultural trade balance



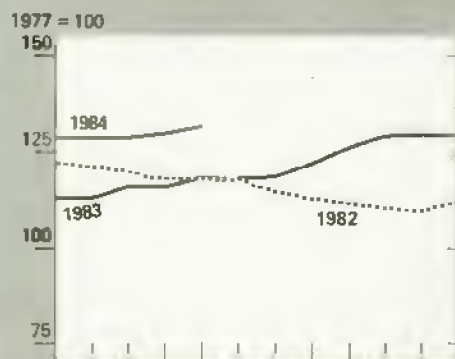
## U.S. wheat exports



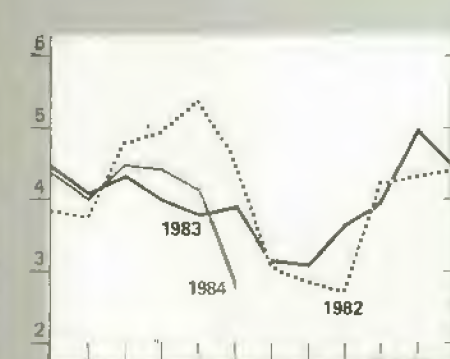
## Export volume



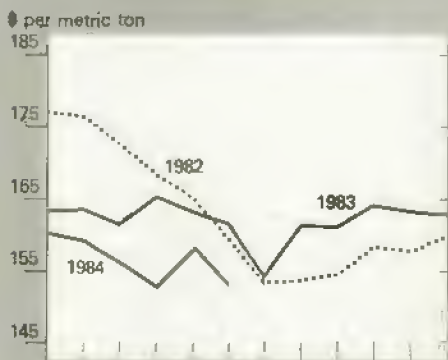
## Export prices



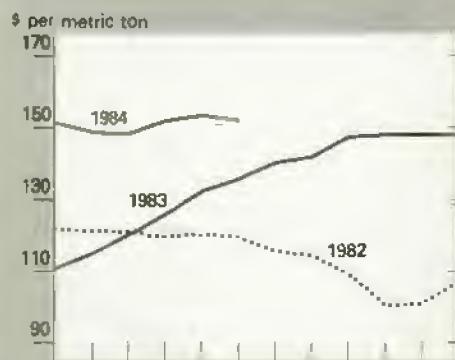
## U.S. corn exports



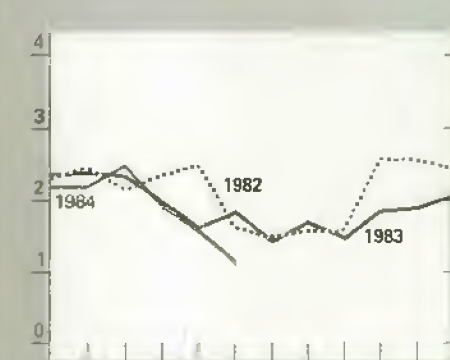
## Wheat export unit value\*



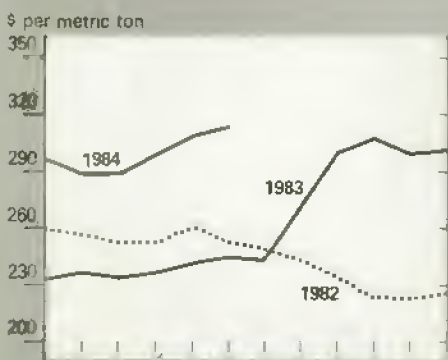
## Corn export unit value\*



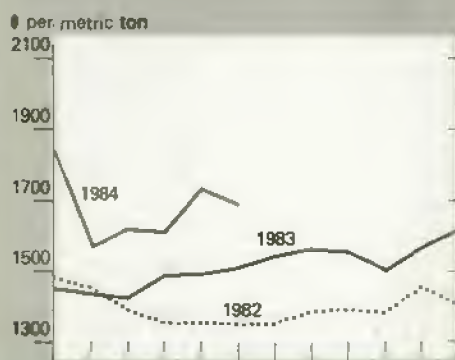
## U.S. soybean exports



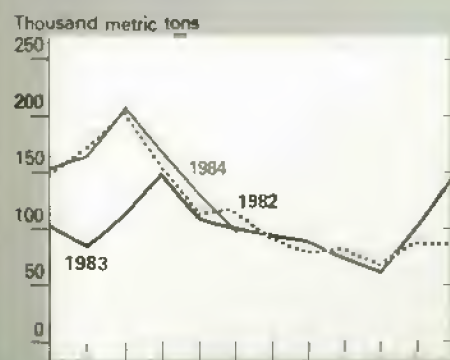
## Soybeans export unit value\*



## Cotton export unit value\*



## U.S. cotton exports



\*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.

national red meat stabilization plan to replace existing Provincial programs. Ironically, uncertainty created by the possibility of production or marketing quotas may be encouraging producers to maintain high output.

#### **Pork Exports Expand from East, Live Hogs from West**

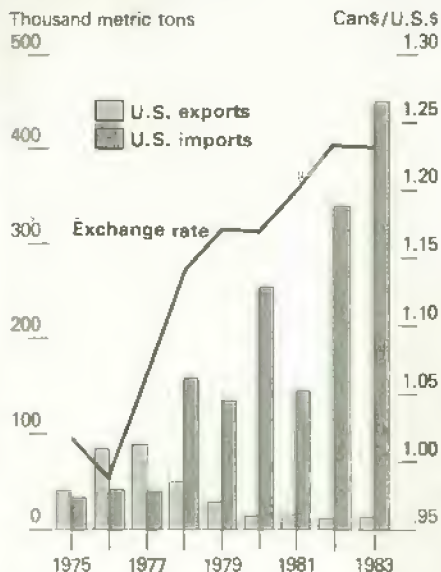
Quebec has a modern, efficient pork industry with a high degree of vertical integration. Producers keep production levels high even in times of low prices because of their relatively high fixed costs. Quebec is now a surplus producer, and much of the increased production is shipped into the United States, entering primarily through New York.

Ontario, which used to export to Quebec, now sends some of its surplus production to the United States. In addition, live hog exports from Ontario have been up significantly in 1984, because labor problems have resulted in the closing of two packing plants.

In contrast, the western pork industry is in an unhealthy state. The sharp contraction of pork production in the mid-1970's caused the shutdown of several packing plants. Some of the remaining plants are underused and obsolete. Processing costs are higher than in the eastern plants. These factors, combined with higher wages than in U.S. plants, have caused a growing number of hogs from the western Provinces to be slaughtered in the Midwestern United States.

The growth in live hog trade raises the issue of nontariff trade barriers. Canadian hogs move unrestricted into the United States, but live hogs from the United States must be quarantined 30 days before entry into Canada because of the presence of pseudo-rabies. This requirement effectively eliminates U.S. exports of live hogs. Canadians feel this regulation is necessary to protect the health of their pork industry, but some U.S. producers feel it is unduly restrictive.

#### **U.S.-Canadian Trade: Pork Imports Surpass Exports<sup>1</sup>**



<sup>1</sup>Includes pork and the live-hog equivalent of pork.  
Source: Statistics Canada.

#### **Exchange Rates Affect Canadian Prices and Trade**

The depreciation of the Canadian dollar against U.S. currency contributed to the surge of Canadian exports. The U.S. dollar is currently trading at an historically high level of around \$1.30, reflecting a generally weaker Canadian economy marked by higher inflation and unemployment and lower productivity than in the United States.

Exchange rates are important because of their impact on prices. In general, Canadian hog prices closely follow those in the United States. But trade flows are partly determined by whether Canadian prices are on an import or export basis with the United States, that is, whether Canadian hog prices—adjusted for transportation costs, tariffs, and the exchange rate—are above or below U.S. prices. Canadian prices have been on an export basis in recent years.

#### **Commodity Disputes Raise Trade Policy Questions**

The large Canadian pork exports have raised questions about the interaction of domestic agricultural policy and international trade. What constitutes a domestic subsidy, and what is the impact of subsidized production in world markets?

Although there are no direct export subsidies, Canadian pork producers have obviously benefited from Government programs. Government payments during 1979-81 probably provided the necessary margin many producers needed to maintain production when prices were falling. Provincial payments during the early 1980's likely mitigated the impact of low prices, because the contraction in Canadian hog production during 1981-83 was not as severe as in the United States.

Although the United States remains a net agricultural exporter to Canada, Canada is a net pork exporter to the United States. Despite this net trade position, Canadian hog prices will continue to follow U.S. prices because of the relative size of the two industries. Even with the sharp increases this year, Canadian hog imports for the first 5 months of 1984 equaled only 1.3 percent of U.S. slaughter. However, because Canadian imports are channeled into regional markets, these shipments could be disrupting some local marketing patterns and prices.  
[Carol Goodloe (202) 447-8378]

#### **Upcoming Economic Reports**

Title	Summary Released
Cotton & Wool	Aug. 27
World Agriculture	Aug. 28
Sugar & Sweeteners	Sept. 10
World Ag Supply & Demand	Sept. 13
Fruit	Sept. 17

Summaries are available on some computer networks on the dates indicated; the full reports are also released electronically 2 to 3 days later. For details on the summaries, call: (402) 472-1892; or (301) 588-1572. Full reports, text and tables, are provided by the system on (402) 472-1892.





## Recent Publications

### New Reports—GPO

The following reports are available **FOR SALE ONLY** from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Order by report title and number. Make checks payable to Superintendent of Documents. Prices subject to change. Bulk discounts available. For faster service or further information call GPO's order desk at (202) 783-3238.

Food Cost Review, 1983. AER-514. 56 pp. (Price \$2.25).

Assessing Erosion on U.S. Cropland. AER-513. 24 pp. (\$1.50).

World Indices of Agricultural and Food Production, 1974-83. SB-710. 172 pp. (\$5.50).

Housing of the Rural Elderly. RDRR-42. 20 pp. (\$1.50).

Agricultural Implications of Natural Gas Deregulation. AER-512. 24 pp. (\$1.50).

Impact of Ultra-High Temperature Milk on the U.S. Dairy Industry. AER-516. 32 pp. (\$1.50).

Drip Irrigation for Cotton: Implications for Farm Profits. AER-517. 40 pp. (\$2.00).

World Food Aid Needs and Availabilities, 1984. Unnumbered Report. 180 pp. (Price \$5.50).

### New Reports—NTIS

The following reports are available **FOR SALE ONLY** from NTIS, Identification Section, 5282 Port Royal Road, Springfield, VA 22161. Order by report title and PB number. Indicate paper copy (PC) or microfiche (MF). For further information call (703) 487-4780.

Food Policies in Developing Countries. FAER-194. 76 pp. PC \$11.50; MF \$4.50. PB84-130616.

Long-Term Developments in Trade in feeds and livestock Products. FAER-199. 28 pp. Price: PC \$8.50; MF \$4.50. PB84-155167.

Selected Socioeconomic Development Indicators: Africa, Asia, Europe, Latin America, the Middle East, and North America/Oceania. SB-705. 106 pp. Price: PC \$16.00; MF \$4.50. PB84-173921.

### Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the September *Agricultural Outlook* comes off press.

#### August

- 20 Cold Storage<sup>2</sup>  
Catfish  
Rice Stocks
- 21 Farm Labor  
Cranberries
- 22 Eggs, Chickens & Turkeys
- 24 Livestock Slaughter
- 30 Poultry Slaughter  
Egg Products
- 31 Ag Prices

#### September

- 4 Dairy Products
- 6 Celery
- 11 Vegetables
- 12 Crop Production
- 13 Turkey Hatchery  
Peanut Stocks & Processing
- 14 Cattle on Feed  
Milk Production

Reports available through subscription only. For subscription information, write or call Jerry Clampet, SRS-Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250; (202) 447-2130.



## General Economy

### U.S. ECONOMIC OUTLOOK

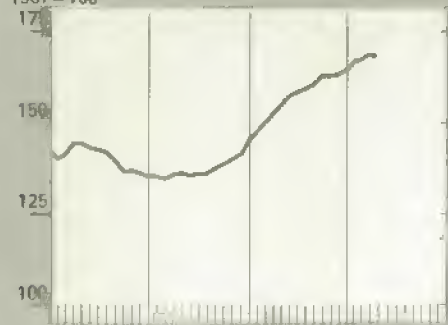
The economic recovery continues to show surprising strength. This was expected to be a relatively weak recovery because of high real interest rates and their usual depressing effect on consumption and, especially, business fixed investment. However, consumer and investment spending increased 8.7 and 25.4 percent, respectively, during the first six quarters of the recovery, compared with 8.3 and 5.6 percent in the first six quarters of the recovery from the 1974-75 recession.

Employment, industrial production, and personal income statistics indicate the likelihood of continued strong but decelerating growth for the rest of 1984. Impending slower growth should strengthen the possibility of continued recovery in 1985 by reducing future problems caused by increases in inflation, interest rates, and rapid consumer debt expansion.

# General Economic Indicators

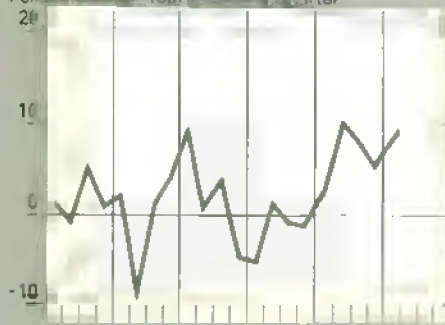
Composite leading economic indicators

1967=100



Gross national product<sup>1</sup>

Percent change from previous quarter



Industrial production

1967=100



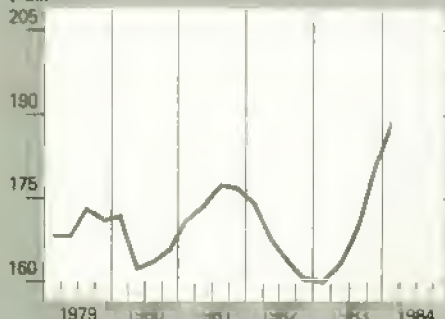
Disposable income and consumption expenditures<sup>2</sup>

\$ bil.



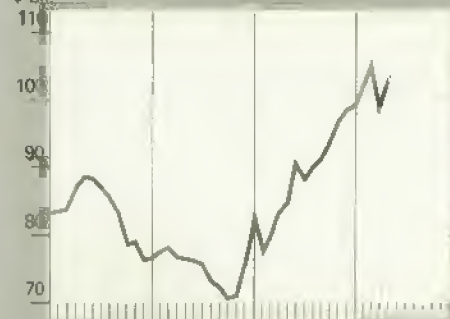
Nonresidential fixed investment<sup>2</sup>

\$ bil.



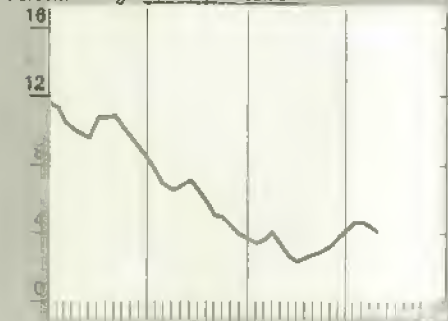
Manufacturers' durable goods orders<sup>3</sup>

\$ bil.



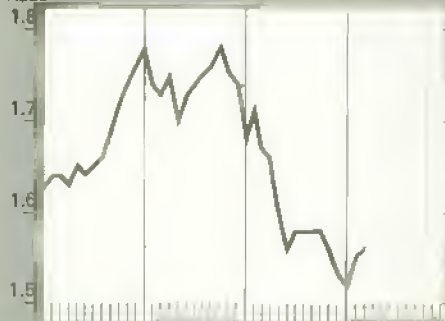
Consumer price index

Percent change from a year earlier



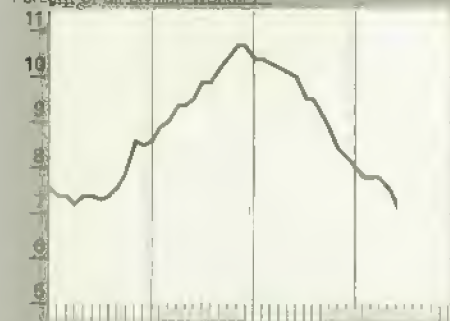
Inventory/sales<sup>4</sup>

Ratio



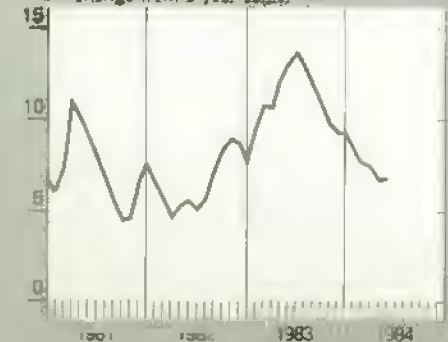
Unemployment rate<sup>5</sup>

Percent of all civilian workers



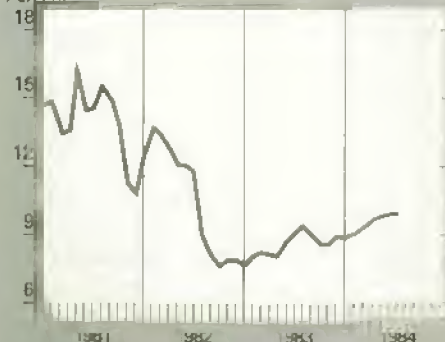
Money supply (M1)

Percent change from a year earlier



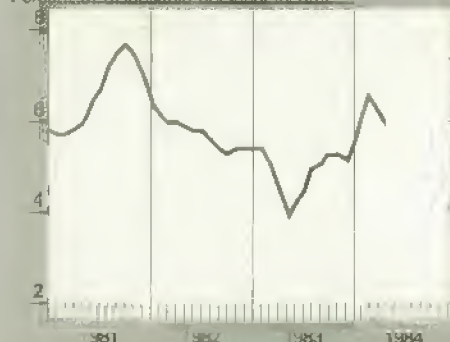
3-month treasury bill rate

Percent



Savings rate<sup>6</sup>

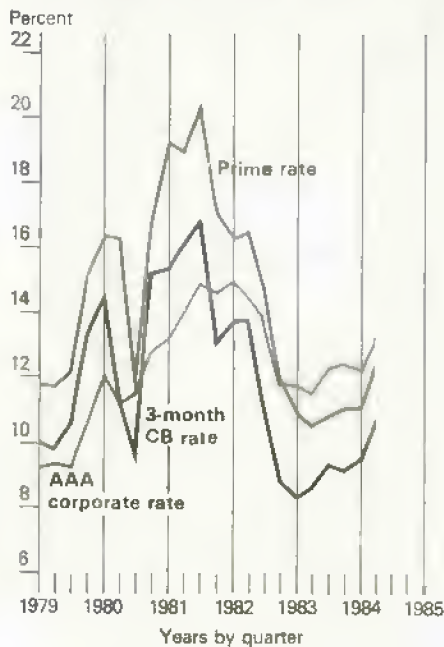
Percent of disposable personal income



<sup>1</sup>Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. <sup>2</sup>Billions of 1972 dollars. seasonally adjusted at annual rates. <sup>3</sup>Nominal dollars. <sup>4</sup>Manufacturing and trade, seasonally adjusted; based on 1972 dollars. <sup>5</sup>Seasonally adjusted. <sup>6</sup>Calculated from disposition of personal income in 1972 dollars. seasonally adjusted at annual rates. Sources are: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.



## Interest Rates Start to Rise Again



### Reduced Inflation and Pent-Up Demand Strengthen Recovery

A number of factors have been important in promoting the recovery's strength. The recession of 1980-82 caused sharp and painful disinflationary adjustments in the economy. Real output in the fourth quarter of 1982 was below the fourth quarter of 1979. Consumers and business firms tightened their belts, which depressed real output and generated excess capacity.

For example, the ratio of consumer installment credit to income declined from 14.8 percent in the fourth quarter of 1979 to 13.1 by the fourth quarter of 1982. Economic profits of nonfinancial corporations, which have had a sluggish growth rate since 1976, declined from \$119.6 billion in the fourth quarter of 1978 to \$104.1 billion by the fourth quarter of 1982. The combined factors of weak final demand, poor internal cash flow, and an unfavorable financial climate in bond and equity markets caused business firms to reduce investment expenditures sharply during the period.

Constraints induced by tight monetary policy during 1980-82 and a retrenchment from prior heavy consumer debt expansion paved the way for a decline in inflation. As measured by the Consumer Price Index, inflation dropped from 13.3 percent in 1979 to 3.9 percent in 1982. Pent-up demand for consumer durables and housing led to increased spending once more favorable income and financial conditions materialized.

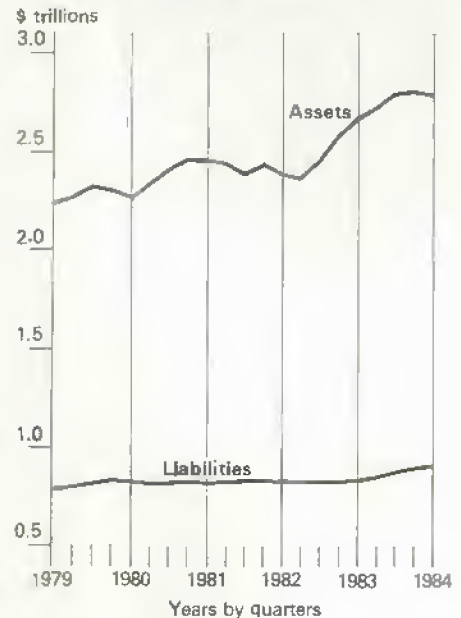
The disinflationary adjustments, although painful, led to a strong recovery through a number of channels. Lower inflation:

- allows a given nominal money supply to support higher real purchases;
- allows the Federal Reserve to enact a less restrictive monetary policy;
- promotes economic growth by creating an environment conducive to savings and investment, because uncertainty over the real returns on these investments is reduced; and
- generates higher real consumer wealth through a lower price level and a favorable impact on stock prices.

While inflation will likely increase somewhat in the second half of 1984, the rises are not expected to be sharp. Some slack still exists in most labor and product markets, preventing substantial wage and price increases. Furthermore, the U.S. dollar will continue strong in foreign markets, which will directly limit price increases by tempering the price of imports and constraining U.S. exports. Competition from favorably priced imports will limit price increases from domestic manufacturers of goods that compete directly with imports.

In addition, continued slack world demand for oil should help to constrain oil price increases. Also, evidence so far in the 1980's suggests that the growth in labor productivity has improved from the 1970's. Finally, surveys of inflationary expectations, which influence the actual rate of inflation, indicate only a modest increase in inflation.

## Real Household Financial Assets and Liabilities Increase



### Consumer and Corporate Balance Sheets Point To Slower Growth

Since consumer spending is nearly two-thirds of the gross national product (GNP), a small change in the personal savings rate can have a large impact on GNP. An increase in the savings rate will initially cut consumer spending. Later, it will depress economic growth, as inventories and fixed investment spending adjust to match lower consumer demand.

Factors that affect the savings rate include short- and long-term income prospects, real after-tax interest rates, inflationary expectations, wealth, and liquidity. Household financial assets and liabilities have a strong impact on consumer purchases of durables and housing. Since consumer durables and housing are relatively nonliquid assets with high transactions costs and limited secondary markets, consumer purchases of these items increase when real financial assets expand and real debt burdens are low.

Large gains in real consumer assets between the second quarter of 1982 and the third quarter of 1983, along with greater income certainty, lower real interest rates, and pent-up consumer demand, greatly contributed to a fall in the personal savings rate—from

5.9 to 4.9 percent. During this period, real financial assets of consumers expanded at a 13.9-percent annual rate. Of the increase in real household financial assets, roughly 45 percent was due to the increased value of stocks caused by the stock market rally.

Real household financial liabilities expanded at a rate of only 4.1 percent over this period. Since the third quarter of 1983, however, growth in real financial assets has increased only 0.3 percent. Real household financial liabilities, on the other hand, have increased at a 9.6 percent annual rate.

With large second-quarter gains expected in consumer installment credit and mortgage debt, real household debt likely expanded rapidly in the second quarter. However, the impact of increasing consumer debt on the savings outlook has been moderated by recent gains in income, high consumer confidence, and the still relatively high ratio of household financial assets to liabilities. Still, an expected continued deterioration in consumer balance sheets, coupled with higher real interest rates, should push the savings rate moderately higher in the second half of 1984 and into 1985, slowing the recovery.

Financial market and nonfinancial corporate balance sheet developments also point toward slower growth. These developments influence business investment by altering the costs of funds to firms, affecting their willingness to invest.

In financial markets, the general decline in stock prices since last fall indicates that the cost of internal and external equity capital for nonfinancial corporations has risen. Moreover, corporate bond rates moved sharply higher in the first half of 1984. These higher bond rates and less favorable conditions in corporate equity markets have caused higher short-term credit demand by nonfinancial corporations. The increased amount of short-term debt currently on nonfinancial corporate balance sheets, coupled with less favorable conditions in capital markets, should slow the rate of growth in future business investment spending. (Paul Sundell (202) 447-7340)



## Inputs

### ENERGY UPDATE

Despite hostilities between Iran and Iraq, petroleum supplies are plentiful and prices stable. Farmers can expect third-quarter fuel prices to be around \$1.20 a gallon for motor and unleaded gasoline delivered in bulk. Diesel fuel will likely be around \$1 a gallon, and LP gas should average about 75 cents a gallon. These prices are not expected to change much for the remainder of 1984. Electricity prices to rural consumers are forecast to average about 4 percent higher this year than last.

### Farm Energy Use To Increase

Farm energy use in 1984 is expected to increase about 10 percent from 1983, as most of last year's payment-in-kind acreage is returned to production, and as harvest fuel needs return to normal levels from last year's drought-reduced requirements. Farmers' expenditures for fuel and lubricating oil are projected at \$8.4 billion, compared with an estimated \$7.7 billion last year. This reverses a downward trend since 1981, when farm expenditures on fuel and lubricating oil peaked at \$8.9 billion.

While total energy use is increasing this year, per acre use will decrease as efficiency gains continue. Since energy prices have risen faster than the general price level in recent years, new, energy-conserving tillage, irrigation, and other agricultural practices have evolved. These are being adopted by farmers who seek to hold down rising energy expenditures.

### Persian Gulf Conflict:

**No Serious Problem for U.S. Supplies**  
Increased hostilities between Iran and Iraq probably won't harm U.S. or world petroleum supplies in the short run. Western oil reserves are well stocked, and there is considerable oil production capacity outside the Persian Gulf that can be mobilized in the event of a supply disruption.

U.S. dependence on Persian Gulf oil is low. In the first 2 months of 1984, only 500,000 barrels a day, or 3 percent of total U.S. oil supplies, came from the Persian Gulf. Furthermore, the United States would be only indirectly affected by a cutoff. The United States is protected by a cushion of 400 million barrels of oil in the Strategic Petroleum Reserve (SPR). The SPR would last 80 days if all U.S. oil imports were suspended, 240 days if

### Farmers Can Expect Stable Fuel Prices in 1984<sup>1</sup>

	Gasoline <sup>2</sup>	Diesel fuel	LP gas
Dollars per gallon			
1977 . . . .	.57	.45	.39
1978 . . . .	.60	.46	.40
1979 . . . .	.80	.68	.44
1980 . . . .	1.15	.99	.62
1981 . . . .	1.29	1.16	.70
1982 . . . .	1.23	1.11	.71
1983 . . . .	1.18	1.00	.77
1984 . . . .			
I . . . .	1.18	1.02	.77
II . . . .	1.18	1.01	.76
III <sup>3</sup> . . . .	1.20	1.02	.75
IV <sup>3</sup> . . . .	1.18	1.03	.74

<sup>1</sup>All fuels, bulk delivered. <sup>2</sup>Average for all grades. <sup>3</sup>Projected using first-quarter farm prices as reported in USDA, SRS, *Agricultural Prices* and percentage changes projected by Department of Energy, Energy Information Administration, for gasoline and number 2 heating fuel (for diesel fuel and LP gas).



oil imports from OPEC were cut off, and 800 days if all Middle East oil exports stopped.

Based on petroleum spot market prices, the events in the Gulf have not had a serious effect on supplies. The spot market price for oil is expected to remain close to the official \$29 a barrel for Arabian light crude.

In spite of the United States' relatively low dependence on Persian Gulf oil, U.S. industries could be affected in two ways by an extended interruption of oil shipments from the Gulf. First, the United States would have to compete with other countries for reduced oil supplies in the world market, and second, the United States has an obligation as a member of the International Energy Agency to share its available supplies with other member countries in case of a crisis.

If an extended disruption occurred, oil prices could rise significantly—up to 50 percent or more if the Strait of Hormuz were closed for a year. However, the consensus of energy specialists is that petroleum supplies and prices will remain steady in the short run.

**Energy Price Outlook Into the 1990's**  
Slight declines in the average world price of oil are expected for the next 2 to 3 years, after which the real price of oil is projected to rise gradually. Prices may return to 1980 levels by the early 1990's.

Natural gas prices have risen considerably in recent years, but they now appear to be stabilizing. Because natural gas accounts for over three-fourths of the cost of producing ammonia, price trends are of special concern to U.S. nitrogen fertilizer producers. Rising natural gas prices have made U.S. fertilizer producers less competitive with foreign producers. Therefore, the nitrogen trade balance continues to shift away from the United States. Net ni-

## U.S. Petroleum Supply and Use To Rise This Year

	1982	1983	1984 F
	Million barrels a day		
<b>Demand:</b>			
Gasoline . . . . .	6.54	6.62	6.84
Diesel fuel . . . . .	2.67	2.68	2.86
Residual fuel . . . . .	1.72	1.40	1.42
Other . . . . .	4.37	4.48	4.71
Total . . . . .	15.30	15.18	15.83
<b>Supply:</b>			
Production . . . . .	10.78	10.75	10.84
Net imports (excludes SPR <sup>1</sup> ) . . . . .	4.13	4.02	4.92
Net stock withdrawals . . . . .	0.32	0.26	-0.09
Total primary supply . . . . .	15.23	15.03	15.57
	Percent		
<b>Change:</b>			
Production . . . . .	n.a.	-0.3	0.8
Consumption . . . . .	n.a.	-0.8	3.0
Net imports . . . . .	n.a.	-2.7	22.4
Net imports' share of U.S. supply . . . . .	27.1	26.7	31.6

n.a. = not applicable. F = forecast.

<sup>1</sup> SPR = Strategic Petroleum Reserve. Source: Department of Energy, Energy Information Administration, Short-Term Energy Outlook (DOE/EIA-0202-84/20), June 1984.

trogen imports during July 1983-January 1984 were more than triple a year earlier—930,000 tons, compared with 280,000 in 1982/83.

On January 1, 1985, natural gas price regulations will be partially removed. But because of market conditions in the last few years, most of the expected price effects have already occurred. Natural gas will likely be priced competitively with fuel oil, with no further increases resulting from decontrol. In contrast with earlier forecasts, no significant increase in fertilizer prices should follow.

Electricity demand is forecast to grow slightly more than the general economic growth rate for the next decade. Price increases for electricity, however, are expected to be moderate—rising in real terms by less than 1 percent a year through 1995.

Since energy prices will remain higher than those before 1979, the incentive to conserve energy persists. (Katherine Reichelderfer (202) 447-8151)



## World Food Perspectives: Implications for U.S. Agriculture

Planning long-term agricultural policy requires an understanding of the probable economic environment for agriculture in the future. What is likely to be the national and world supply and demand situation over the next few decades? How big a role will U.S. exports play? Will commodity prices stabilize or become more volatile? How these and other questions will be resolved has important implications for producers, consumers, and agricultural policymakers now and in the years ahead.

### *World Food Consumption Inches Upward*

During the past three decades, per capita consumption of food increased slightly worldwide. Demand rose in response to higher incomes and nations' determination to improve diets and food distribution. Meanwhile, the inflation-adjusted price of food decreased.

In recent decades, the composition of food demand shifted toward more livestock products compared with crops, partly because consumers have been spending more of their extra income for meat. Also, to improve diets many countries are encouraging the consumption of more meat. Gains in per capita food consumption slowed during the recession of the early 1980's, but the upward trend is expected to continue during coming decades.

Population growth is an even more important source for increases in total food needs. The world's population is continuing to expand, but the rate of growth is slowing. Growth was around 1.9 percent a year during 1950-70, slowing to 1.8 percent during the 1970's. It is now around 1.7 percent, and a 1.6-percent rate is projected for the 1990's.

In line with a growing population, world food consumption doubled during the past 27 years. The gradual slowdown in population growth and prospects for a gradual increase in per capita food consumption suggest that it will take a little longer to double next time.

### *Food Production: Expanding To Meet the Need*

Increases in world food production have been slowing down. Global food production increased at a rate of 2.9 percent a year during the 1950's, 2.7 percent during the 1960's, and about 2.2 percent during the 1970's. To meet projected growth in food demand over the next three decades, food production will have to increase around 2.3 percent a year.

Several factors suggest that production capacity can grow to meet food needs. Currently, significant acreage is not being planted in the United States because of grain surpluses and acreage reduction programs. Additional cropland can be developed worldwide, though probably at a slower pace than during the past three decades. More land can be irrigated, and irrigation efficiency can be improved. Farm input use can be increased, and the productivity of existing resources can be expanded through technological advances. These factors suggest continuation of the long-run trend of moderately increasing per capita world food production, and can result in larger production despite a likely continued moderate decrease in real food prices.

### *World Food Trade To Increase*

Regional disparities between where food is produced and where it is consumed will likely increase in the next 30 years, boosting international trade. The question is, how much will U.S. farmers share in this increase?

World food markets were volatile during the 1970's, compared with the relative stability of the two previous decades. Price volatility is expected to continue during the 1980's and beyond. Continued risk from weather and ordinary regional disparities are among the reasons for price fluctuations. Also, major disruptions during the 1970's can be attributed to government interventions. Government decisions to protect their internal markets added to the volatility of world food markets.

### *U.S. Agriculture Affected By World Food Trade*

U.S. agriculture is increasingly more reliant on export markets for its economic growth. Domestic markets are not growing fast enough to absorb U.S. agricultural capacity; therefore the United States now relies on markets that are characterized by moderately decreasing and less stable prices. Fluctuations in world food markets affect not only farmers, but also the domestic sectors depending on agriculture, such as consumers, food processors and distributors, and farm input suppliers.



During the 1970's, U.S. farm exports burgeoned. The volume of all agricultural exports increased at an annual rate of 8 percent. However, at the time, most thought the pace was unsustainable in the long run. U.S. agriculture absorbed such resources as were available at then-current prices. Prices increased and the growth in domestic productivity slowed. The resulting rapid acceleration in export prices during the 1970's raised concerns that the world was headed for a period of food shortages and higher real food prices, and it was feared that neither the additional natural resources nor the needed advances in technology would be found.

Nevertheless, the larger quantity of shipments that sold at higher prices during most of the 1970's pushed up the value of U.S. agricultural exports dramatically. This rise not only increased farm income, but also helped the U.S. balance of payments.

With the start of the 1980's, the picture changed. U.S. export volume and prices fell 10 percent during 1981-83. The value of exports dropped 21 percent, and stocks accumulated. Several reasons were behind the decline in exports:

- World economic growth slowed, and the value of the dollar increased.
- Foreign production of grain and oilseeds increased, stimulated by high U.S. support prices.
- Several countries with heavy debts were forced to cut back agricultural purchases.
- The USSR changed its livestock feeding program, thereby requiring less grain per unit of meat output.

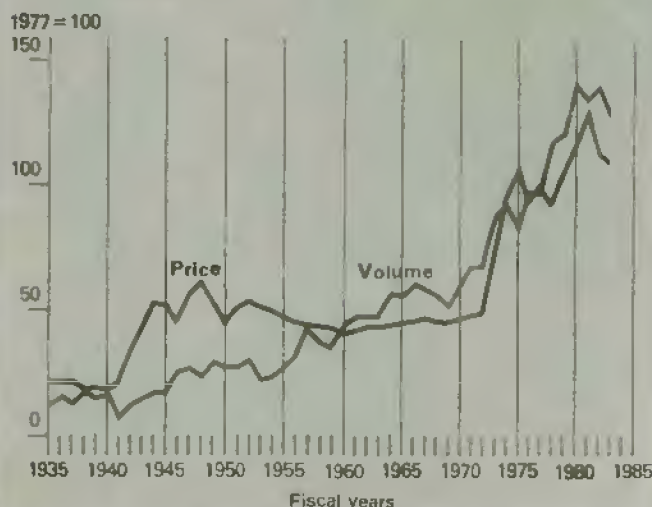
With reduced demand for its exports, the United States instituted farm programs to decrease production, work off surpluses, and support farm income.

#### *Directions for the Future*

The production capabilities of other countries help determine economic conditions for U.S. agriculture. If world food supplies become so abundant that U.S. export markets expand only slowly, say at 2 percent or less a year, there would be depressed farm incomes, capital losses, and some producers leaving agriculture. Consumers would benefit from lower real food prices and would spend a smaller share of their disposable income for slightly more food.

If instead world food demand increases at a rate of 5 percent or more a year and begins to outpace supplies, the resulting rapidly expanding markets for U.S. exports would be accompanied by higher farm prices and improved farm incomes. Consumers would pay higher real prices for less food, and the volume of business activity in the food processing and marketing sectors would decrease. Capital gains would accrue to landowners. However, livestock producers would be disadvantaged by higher feed costs and, therefore, reduced sales.

Indexes of Volume and Prices Received for U.S. Farm Exports



If, as is more likely, world food supplies are such that U.S. export growth averages about 3 percent a year, U.S. production would expand to satisfy both domestic and foreign demand, with little change in real food prices. Export markets would grow faster than domestic ones, and the proportion of U.S. cropland that is harvested for export would likely rise from 40 percent in 1982 to 50 percent in 2000. Exports accounted for only 20 percent of harvested acres a decade ago. U.S. agriculture will likely come to depend more and more on foreign markets to maintain farm income.

It is reasonable to anticipate continued volatility of prices received by U.S. farmers, with continued high competition from other countries. With greater price uncertainty, there is likely to be increased use of informal "insurance" strategies, such as diversification, flexible farm plans, reluctance to borrow and invest, and less reliance on farming as the sole source of family income.

#### *Implications for U.S. Farm Policy*

The ability of U.S. agriculture to grow and adapt to a changing world depends on the growth in domestic and export markets; the availability of farm inputs, including credit; the adoption of improved production technology; and the type of agricultural policies formulated by the United States and its trading partners. Land and water use is not expected to increase as farm output expands, but greater conservation efforts will be required.

The growth in world demand for food depends on the growth in population and income of other countries. It also depends on these countries' international debt situation, as it affects their purchasing power in world markets. The U.S. share of this growing world food market depends on domestic macroeconomic policies, the strength of the dollar against other currencies, and domestic farm price policies' effects on the competitiveness of U.S. farm products in world markets.

On the supply side, productivity gains due to improved technologies, greater use of purchased farm inputs, and other factors suggest that farmers can produce enough to meet prospective growth in domestic and export markets at stable returns, even if inflation adjusted prices decline moderately. To meet the challenge, efforts to conserve and develop natural resources, discover new technology, promote efficient regional relocations of enterprises, improve the nonfarm institutions that support and affect agriculture, and expand domestic markets for farm products should continue.

While physical limits on capacity are not anticipated, there may be institutional ones. Though unlikely, another doubling of exports within the short period of one decade, such as was experienced during the 1970's, would again put the agricultural system and its related markets under strain. Other events, which are not considered agricultural, can limit the demand for farm products and agriculture's supply response. These include high interest rates, credit rationing, and a substantial strengthening of the dollar against the currencies of countries that import U.S. farm products.

U.S. farm policies introduced in the 1930's redistributed income from a relatively better-off urban sector to a disadvantaged farm sector, with both sectors comprising a closed economy. Farm policy is now shifting to reflect the entwining of farming with the rest of the economy, as well as the growing concentration of farm production—5 percent of the farms produce half of the output.

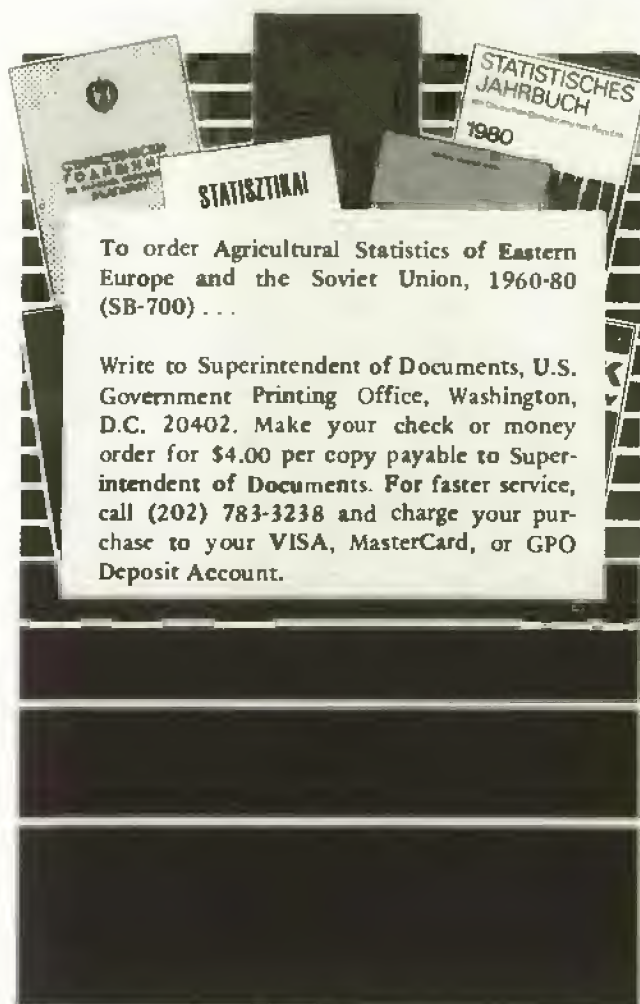
Furthermore, U.S. agriculture is now part of an open and more volatile world food system. Therefore, U.S. farm policy is also shifting to recognize the importance of reliable export markets and to make allowances for continued price variability of foreign origin. The agricultural programs most likely to be forged will be those that share the risk while maintaining agriculture's ability to adjust to change. *[Clark Edwards (202) 447-8168]*



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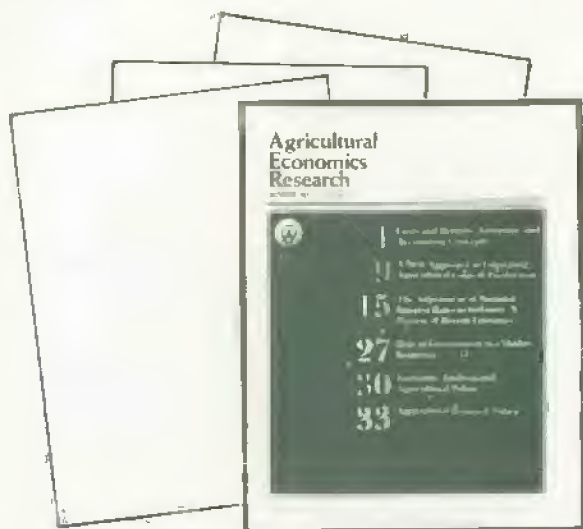


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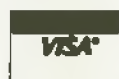
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# Statistical Indicators

## Summary Data

### Key statistical indicators of the food and fiber sector

	1983				1984				
	II	III	IV	Annual	I	II	III F	IV F	Annual F
<b>Prices received by farmers (1977=100)</b>									
Livestock and products	136	136	136	134	144	145	146	140	143
Crops	143	138	138	141	151	146	148	149	149
Prices paid by farmers, (1977=100)									
prod. items	127	133	134	127	138	143	143	131	138
Commodities and services, int., taxes, and wages	154	153	154	153	156	157	158	159	158
Cash receipts <sup>1</sup> (\$ bil.)*	160	161	162	161	165	166	167	168	167
Livestock (\$ bil.)	139	139	128	139	132	143-145	149-153	149-153	144-148
Crops (\$ bil.)	69	67	70	69	73	71-73	70-74	74-78	72-76
	70	72	58	70	59	71-73	77-81	73-77	70-74
<b>Market basket (1967=100)</b>									
Retail cost	270	269	269	269	283	282	285	288	285
Farm value	243	243	241	240	257	252	263	255	257
Spread	285	286	286	286	306	315	315	324	315
Farm value/retail cost (%)	33	31	33	33	32	32	33	32	32
<b>Retail prices (1967=100)</b>									
Food	292	292	293	292	301	302	306	309	305
At home	283	283	282	282	292	292	295	298	294
Away-from home	319	321	325	320	329	332	337	342	335
<b>Agricultural exports (\$ bil.)<sup>2</sup></b>	8.5	8.2	10.2	34.8	10.7	9.2	7.9	10.5	38.0
<b>Agricultural imports (\$ bil.)<sup>2</sup></b>	4.3	4.1	4.3	16.4	5.0	5.0	4.2	4.1	18.5
<b>Livestock and products</b>									
Total livestock and products (1974=100)	116.4	116.8	116.7	115.1	112.3	116.6	113.1	111.0	113.2
Beef (mil. lb.)	5,556	6,015	5,962	23,060	5,709	5,819	5,875	5,575	22,978
Pork (mil. lb.)	3,771	3,657	4,206	15,117	3,737	3,670	3,300	3,725	14,432
Veal (mil. lb.)	98	110	117	428	116	113	100	105	434
Lamb and mutton (mil. lb.)	89	94	91	367	98	92	85	80	365
Red meats (mil. lb.)	9,514	9,876	10,376	38,972	9,660	9,694	9,360	9,485	38,199
Broilers (mil. lb.)	3,277	3,135	2,917	12,389	3,075	3,331	3,300	3,080	12,786
Turkeys (mil. lb.)	581	760	759	2,563	431	585	750	745	2,511
Total meats and poultry (mil. lb.)	13,321	13,745	14,052	53,924	13,166	13,610	13,410	13,310	53,496
Eggs (mil. dz.)	1,405	1,399	1,418	5,655	1,401	1,408	1,430	1,460	5,699
Milk (bil. lb.)	36.9	35.0	33.8	140.0	34.1	35.8	32.9	31.5	134.3
Choice steers, Omaha (\$/cwt.)	67.04	60.89	60.61	62.52	67.58	66.01	64.67	64.68	65.67
Barrows and gilts, 7 markets (\$/cwt.)	46.74	46.90	42.18	47.71	47.68	48.91	53.56	52.56	50.52
Broilers-wholesale, 12-city weighted avg. dressed (cts./lb.) <sup>3</sup>	46.5	53.9	55.2	—	61.8	56.4	52-55	50-54	55-57
Turkeys-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	57.3	60.3	69.4	60.5	67.7	66.9	71-74	72-76	69-72
Eggs, N.Y. Gr. A large, (cts./dz.)	69.1	74.4	91.3	75.2	103.4	83.4	70-74	68-72	82-84
Milk, all at farm (\$/cwt.)	13.33	13.33	13.80	13.57	13.40	12.97	13.00-13.30	13.85-14.35	13.30-13.50
<b>Crop prices at the farm<sup>4</sup></b>									
Wheat (\$/bu.)	3.73	3.53	3.54	3.54	3.46	3.58	—	—	3.25-3.50
Corn (\$/bu.)	3.01	3.27	3.16	3.25	3.16	3.34	—	—	2.60-3.05
Soybeans (\$/bu.)	6.02	7.37	7.84	7.75	7.61	7.80	—	—	5.65-7.65
Upland cotton (cts./lb.)	62.2	65.7	66.0	63.9	66.3	71.4	—	—	—

<sup>1</sup> Quarterly cash receipts are seasonally adjusted at annual rates. <sup>2</sup> Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. <sup>3</sup> The 9-city price has been discontinued; starting with the second quarter 1983 the broiler price is the new 12-city average. <sup>4</sup> Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. \*Seasonally adjusted at annual rates.



# Farm Income

## Farm income statistics

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F
	\$ Bil.										
<b>Receipts</b>											
Cash receipts:											
Crops <sup>1</sup> . . . . .	51.1	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.6	69.5	70 to 74
Livestock . . . . .	41.3	43.1	48.3	47.6	59.2	68.6	67.8	69.2	70.1	69.2	72 to 76
Total . . . . .	92.4	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	144 to 148
Other cash income <sup>2</sup> . . . . .	1.4	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	8 to 12
Gross cash income . . . . .	93.8	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	154 to 158
Nonmoney income <sup>3</sup> . . . . .	6.1	6.5	7.3	8.4	9.2	10.7	12.4	13.6	14.2	13.6	12 to 14
Realized gross income . . . . .	99.9	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	167 to 171
Value of inventory chg. . . . .	-1.6	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	7 to 11
Total gross income . . . . .	98.3	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	176 to 180
<b>Expenses</b>											
Cash expenses <sup>4</sup> . . . . .	59.6	61.7	67.8	72.0	81.0	97.2	105.6	111.4	113.4	109.5	118 to 122
Total expenses . . . . .	71.0	75.0	82.7	88.9	99.5	118.1	128.9	136.9	139.5	135.3	144 to 148
<b>Income</b>											
Net cash income . . . . .	34.2	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.8	40.1	34 to 38
Total net farm income . . . . .	27.3	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	16.1	30 to 34
Deflated total net farm income <sup>5</sup> . . . . .	23.7	20.4	15.2	14.1	18.4	19.7	11.9	15.9	10.8	7.5	13 to 15
Off-farm income . . . . .	28.1	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	41 to 45

F = Forecast. <sup>1</sup> Includes net CCC loans. <sup>2</sup> Income from machine hire and custom work, farm recreational income, and direct government payments. <sup>3</sup> Imputed gross rental value of farm dwellings and value of home consumption. <sup>4</sup> Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. <sup>5</sup> Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

## Cash receipts from farming

	1983								1984				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Farm marketings and CCC loans<sup>1</sup></b>	9,726	9,781	10,835	11,329	12,063	14,332	13,894	12,372	12,025	9,310	10,371	8,973	10,186
Livestock and products . . . . .	6,102	5,693	5,218	5,631	5,752	6,021	5,787	5,792	5,908	5,622	6,302	5,763	6,566
Meat animals . . . . .	3,562	3,169	2,605	3,100	3,152	3,244	3,217	3,190	3,183	3,148	3,650	3,452	3,978
Dairy products . . . . .	1,686	1,616	1,584	1,556	1,494	1,541	1,502	1,513	1,563	1,461	1,557	1,520	1,594
Poultry and eggs . . . . .	757	817	796	889	898	954	958	997	1,039	931	1,001	691	897
Other . . . . .	97	91	233	86	208	282	110	92	123	82	94	100	97
Crops . . . . .	3,624	4,088	5,617	5,698	6,311	8,311	8,107	6,580	6,117	3,686	4,069	3,210	3,620
Food grains . . . . .	318	952	1,876	1,453	866	878	691	583	512	391	473	347	272
Feed crops . . . . .	1,006	1,220	1,072	1,111	1,243	979	1,575	1,237	1,560	969	698	589	656
Cotton (lint and seed) . . . . .	59	48	48	55	182	892	963	917	691	278	165	-193	-5
Tobacco . . . . .	10	0	71	572	549	289	395	453	343	36	12	20	0
Oil-bearing crops . . . . .	421	444	808	839	1,093	2,769	2,001	1,216	1,623	690	1,122	752	1,138
Vegetables and melons . . . . .	793	512	629	725	990	1,019	631	653	601	553	696	742	709
Fruits and tree nuts . . . . .	377	485	662	507	729	738	726	612	236	249	232	150	210
Other . . . . .	640	427	451	436	659	747	1,125	909	551	522	671	803	640
<b>Government payments . . . . .</b>	291	854	233	583	854	1,195	1,418	1,803	848	1,892	1,896	414	126
<b>Total cash receipts<sup>2</sup></b>	10,017	10,635	11,068	11,912	12,917	15,527	15,312	14,175	12,873	11,202	12,267	9,387	10,312

<sup>1</sup> Receipts from loans represent value of loans minus value of redemptions during the month. <sup>2</sup> Cash receipts estimates reported in this issue for 1983 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

# Cash receipts<sup>1</sup> from farm marketings, by States, January-May

State	Livestock and products		Crops <sup>2</sup>		Total <sup>2</sup>	
	1983	1984	1983	1984	1983	1984
	\$Mil					
<b>North Atlantic</b>						
Maine . . . . .	101.1	181.6	71.8	98.0	172.8	279.7
New Hampshire . . . . .	33.7	33.9	14.5	15.4	48.3	49.2
Vermont . . . . .	167.1	163.5	17.0	17.6	184.1	181.1
Massachusetts . . . . .	57.1	57.7	66.1	66.0	123.2	123.7
Rhode Island . . . . .	6.2	5.2	7.4	7.3	12.6	12.5
Connecticut . . . . .	80.4	94.4	59.2	55.8	139.6	150.1
New York . . . . .	615.1	820.5	221.5	212.0	1,036.6	1,032.5
New Jersey . . . . .	56.3	56.2	102.3	97.2	158.5	153.4
Pennsylvania . . . . .	937.0	962.2	310.4	296.8	1,247.4	1,259.1
<b>North Central</b>						
Ohio . . . . .	616.4	649.9	743.7	719.6	1,360.0	1,369.6
Indiana . . . . .	743.7	736.8	837.1	606.9	1,580.8	1,343.8
Illinois . . . . .	985.5	946.8	3,108.7	2,220.5	4,094.2	3,167.2
Michigan . . . . .	521.0	527.9	533.5	479.1	1,054.5	1,007.0
Wisconsin . . . . .	1,746.7	1,605.3	357.2	327.9	2,103.9	1,933.2
Minnesota . . . . .	1,414.5	1,382.7	1,082.1	825.6	2,496.6	2,208.4
Iowa . . . . .	2,399.6	2,104.0	1,976.3	1,363.2	4,375.9	3,467.2
Missouri . . . . .	1,021.8	987.9	529.4	591.3	1,551.2	1,579.2
North Dakota . . . . .	311.4	318.0	764.1	446.7	1,075.5	764.7
South Dakota . . . . .	788.4	813.6	313.3	319.8	1,101.7	1,133.1
Nebraska . . . . .	1,867.9	1,834.8	1,108.1	563.6	2,976.0	2,398.3
Kansas . . . . .	1,737.1	1,858.9	762.9	640.7	2,500.0	2,499.6
<b>Southern</b>						
Delaware . . . . .	118.9	163.3	28.5	29.5	147.4	192.8
Maryland . . . . .	275.7	328.0	125.5	95.5	401.2	423.5
Virginia . . . . .	339.4	369.7	138.2	116.3	477.6	485.9
West Virginia . . . . .	68.3	68.7	16.8	15.1	85.2	83.8
North Carolina . . . . .	656.6	715.0	346.2	305.9	1,002.8	1,021.0
South Carolina . . . . .	160.3	181.7	143.3	145.9	303.6	327.6
Georgia . . . . .	728.7	809.4	317.3	312.3	1,046.0	1,121.7
Florida . . . . .	395.2	419.4	2,230.8	1,589.5	2,626.0	2,008.9
Kentucky . . . . .	463.0	438.8	500.0	409.6	963.0	848.5
Tennessee . . . . .	370.0	367.6	300.0	258.7	670.0	626.3
Alabama . . . . .	542.2	627.2	219.9	181.0	762.1	808.2
Mississippi . . . . .	382.0	419.4	404.7	284.3	786.6	703.7
Arkansas . . . . .	575.8	676.0	248.2	290.5	824.0	966.5
Louisiana . . . . .	201.4	213.8	313.0	300.8	514.4	514.6
Oklahoma . . . . .	618.8	669.2	314.2	274.9	933.0	944.1
Texas . . . . .	2,256.6	2,554.6	1,169.2	919.7	3,425.8	3,474.3
<b>Western</b>						
Montana . . . . .	290.8	292.9	364.3	263.3	655.0	556.2
Idaho . . . . .	355.0	374.2	351.1	392.7	706.1	766.9
Wyoming . . . . .	185.3	196.3	25.5	29.6	210.7	225.9
Colorado . . . . .	834.5	857.5	301.2	338.1	1,135.7	1,195.6
New Mexico . . . . .	238.8	241.0	77.1	49.7	315.9	290.8
Arizona . . . . .	296.1	335.5	365.4	343.9	661.6	679.4
Utah . . . . .	206.4	217.3	41.3	40.0	247.6	257.2
Nevada . . . . .	60.1	65.6	29.9	30.6	89.9	96.2
Washington . . . . .	390.8	410.7	608.3	722.9	999.1	1,133.7
Oregon . . . . .	210.0	215.2	305.2	342.7	515.2	557.9
California . . . . .	1,645.3	1,751.8	2,345.8	2,465.1	3,991.1	4,216.9
Alaska . . . . .	3.0	3.0	2.2	2.2	5.2	5.2
Hawaii . . . . .	34.4	35.4	183.9	183.9	218.3	219.3
<b>United States</b>	<b>29,310.1</b>	<b>30,160.3</b>	<b>24,803.6</b>	<b>20,704.9</b>	<b>54,113.7</b>	<b>50,865.3</b>

<sup>1</sup> Estimates as of the first of current month. <sup>2</sup> Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.



## Farm marketing indexes (physical volume)

	Annual			1983		1984				
	1981	1982	1983 p	May	Dec	Jan	Feb	Mar	Apr	May
1977=100										
All commodities . . . . .	111	120	110	118	102	112	102	105	96	121
Livestock and products . . . .	103	104	106	112	106	108	107	104	104	120
Crop . . . . .	119	136	114	127	99	115	97	107	86	123

p = preliminary. Volume of marketing indexes reported in this issue for 1983 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

## Farm Prices: Received and Paid

### Indexes of prices received and paid by farmers, U.S. average

	Annual			1983		1984				
	1981	1982	1983	July	Feb	Mar	Apr	May	June	July p
1977=100										
<b>Prices Received</b>										
All farm products . . . . .	139	133	134	131	144	145	146	144	144	143
All crops . . . . .	134	121	127	124	137	139	140	144	145	140
Food grains . . . . .	166	146	148	138	142	145	150	150	143	137
Feed grains and hay . . . . .	141	120	144	147	150	153	158	160	158	154
Feed grains . . . . .	145	120	146	151	151	155	160	162	162	159
Cotton . . . . .	111	92	104	111	109	116	113	122	115	112
Tobacco . . . . .	140	154	147	136	150	149	149	149	149	149
Oil-bearing crops . . . . .	110	88	102	94	114	119	121	125	123	108
Fruit . . . . .	130	175	126	116	128	130	134	161	203	206
Fresh market <sup>1</sup> . . . . .	132	186	127	114	130	132	137	170	221	227
Commercial vegetables . . . . .	136	127	131	114	169	155	136	122	118	114
Fresh market . . . . .	135	120	128	106	178	160	136	117	112	106
Potatoes <sup>2</sup> . . . . .	177	125	123	150	157	159	170	168	173	200
Livestock and products . . . . .	143	145	141	138	151	151	151	145	143	145
Meat animals . . . . .	150	155	147	145	154	158	156	153	162	155
Dairy products . . . . .	142	140	140	136	138	136	135	134	132	133
Poultry and eggs . . . . .	116	110	118	115	160	149	155	133	125	129
<b>Prices paid</b>										
Commodities and services . . . . .										
Interest, taxes, and wage rates . . . . .	150	157	161	160	165	165	166	166	166	166
Production items . . . . .	148	150	153	152	156	157	158	157	157	156
Feed . . . . .	134	122	134	132	142	142	143	143	141	137
Feeder livestock . . . . .	164	164	160	154	161	161	158	153	150	154
Seed . . . . .	138	141	141	141	142	142	153	153	153	153
Fertilizer . . . . .	144	144	137	138	136	146	146	147	147	147
Agricultural chemicals . . . . .	111	119	125	126	126	126	126	129	129	129
Fuels & energy . . . . .	213	210	202	205	204	203	203	204	203	201
Farm & motor supplies . . . . .	147	152	152	153	148	148	147	148	148	148
Autos & trucks . . . . .	143	159	170	170	178	179	180	181	182	182
Tractors & self-propelled machinery . . . . .	152	165	174	176	177	180	180	180	182	182
Other machinery . . . . .	146	160	171	173	174	177	177	177	182	182
Building & fencing . . . . .	134	135	138	139	138	138	139	139	137	137
Farm services & cash rent . . . . .	137	145	147	147	151	151	151	151	151	151
Interest payable per acre on farm real estate debt . . . . .	211	241	251	251	256	256	256	256	256	256
Taxes payable per acre on farm real estate . . . . .	123	131	137	137	145	145	145	145	145	145
Wage rates (seasonally adjusted) . . . . .	137	143	147	147	152	152	152	152	152	152
Production items, interest, taxes, and wage rates . . . . .	151	155	159	159	163	164	164	164	163	163
Prices received (1910-14=100) . . . . .	633	609	616	600	658	663	665	659	658	652
Prices paid, etc. (Parity index) (1910-14=100) . . . . .	1,035	1,076	1,105	1,104	1,132	1,138	1,141	1,140	1,139	1,139
Parity ratio <sup>3</sup> . . . . .	61	57	56	54	58	58	58	58	58	57

<sup>1</sup>Fresh market for noncitrus and fresh market and processing for citrus. <sup>2</sup>includes sweetpotatoes and dry edible beans. <sup>3</sup>Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

# Prices received by farmers, U.S. average

	Annual*			1983			1984			
	1981	1982	1983	July	Feb	Mar	Apr	May	June	July p
<b>Crops</b>										
All wheat (\$/bu.)	3.88	3.52	3.59	3.34	3.40	3.49	3.63	3.65	3.45	3.29
Rice, rough (\$/cwt.)	11.94	8.36	8.31	7.95	8.85	8.63	8.49	8.24	8.20	8.19
Corn (\$/bu.)	2.92	2.37	2.99	3.13	3.11	3.21	3.32	3.34	3.37	3.32
Sorghum (\$/cwt.)	4.72	4.00	4.89	5.03	4.74	4.85	5.00	5.08	4.95	4.86
All hay, baled (\$/ton)	67.67	69.17	75.13	72.70	81.20	80.50	82.50	84.90	78.70	71.80
Soybeans (\$/bu.)	6.92	5.78	6.73	6.27	7.29	7.68	7.82	8.12	7.99	6.81
Cotton, upland (cts./lb.)	67.1	55.5	63.2	67.1	65.7	70.5	68.1	73.6	69.5	67.7
Potatoes (\$/cwt.)	6.95	5.10	4.98	6.41	6.28	6.45	6.94	6.79	7.41	8.78
Dry edible beans (\$/cwt.)	28.59	16.82	18.22	19.30	21.30	20.30	21.10	20.40	20.60	20.60
Apples for fresh use (cts./lb.)	13.2	15.3	13.2	11.2	15.9	16.1	15.5	15.4	15.3	18.6
Pears for fresh use (\$/ton)	264	300	287	—	201	165	133	86	101	—
Oranges, all uses (\$/box) <sup>1</sup>	3.77	7.47	3.68	2.96	3.98	4.04	4.44	6.69	10.01	10.79
Grapefruit, all uses (\$/box) <sup>1</sup>	3.65	2.04	2.02	1.68	1.95	3.17	3.92	3.60	2.51	1.18
<b>Livestock</b>										
Beef cattle (\$/cwt.)	58.51	56.97	55.83	55.80	59.70	61.70	60.10	58.60	57.60	57.40
Calves (\$/cwt.)	64.46	60.18	62.13	60.30	63.90	63.70	62.30	60.80	59.20	59.20
Hogs (\$/cwt.)	43.81	52.78	47.02	43.40	45.40	45.80	47.60	47.20	49.00	52.20
Lambs (\$/cwt.)	55.38	54.55	55.48	49.80	59.20	58.20	60.60	59.50	57.50	58.50
All milk, sold to plants (\$/cwt.)	13.76	13.59	13.57	13.20	13.40	13.20	13.10	13.00	12.80	12.90
Milk, manuf. grade (\$/cwt.)	12.73	12.66	12.63	12.30	12.40	12.30	12.30	12.10	12.00	12.10
Broilers (cts./lb.)	28.4	26.8	28.5	30.9	37.4	37.8	34.8	33.5	33.2	35.5
Eggs (cts./doz.) <sup>2</sup>	62.8	59.3	60.7	57.7	92.9	79.4	91.4	68.9	61.0	59.9
Turkeys (cts./lb.)	38.5	37.5	36.5	34.3	41.3	41.6	43.3	42.7	42.5	44.0
Wool (cts./lb.) <sup>3</sup>	91.1	68.0	61.5	62.7	63.7	72.4	86.1	87.8	87.7	86.4

<sup>1</sup> Equivalent on-tree returns. <sup>2</sup> Average of all eggs sold by producers including hatching eggs and eggs sold at retail. <sup>3</sup> Average local market price, excluding incentive payments. \*Calendar year averages. p = preliminary.

## Producer and Consumer Prices

### Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual			1983			1984			
	1983	June	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1967=100										
Consumer price index, all items	298.4	298.1	303.1	303.5	305.2	306.6	307.3	308.8	309.7	310.7
Consumer price index, less food	298.3	297.8	303.9	304.0	304.8	305.9	306.8	308.6	310.0	311.0
All food	291.7	292.0	292.5	293.9	299.4	302.1	302.2	302.3	301.4	302.0
Food away from home	319.9	319.3	324.8	325.5	327.2	328.5	329.8	330.9	332.6	333.1
Food at home	282.2	283.0	281.4	283.0	290.2	293.6	293.1	292.8	290.7	291.4
Meats <sup>1</sup>	267.2	270.2	258.6	258.3	266.4	270.0	268.8	268.9	267.9	266.8
Beef and veal	272.3	278.6	265.7	266.0	274.9	280.9	279.9	280.8	276.3	274.2
Pork	255.8	254.1	241.1	240.3	250.8	250.6	248.6	247.7	248.0	250.5
Poultry	197.5	193.6	201.7	209.8	217.5	225.5	223.2	222.3	218.0	219.6
Fish	374.9	371.2	374.9	376.4	383.4	386.2	385.3	387.3	380.8	382.3
Eggs	187.1	173.8	208.2	234.0	266.5	270.3	237.2	249.6	218.9	185.8
Dairy products <sup>2</sup>	250.0	249.8	250.2	249.9	250.8	250.9	250.8	251.5	251.0	251.7
Fats and oils <sup>3</sup>	263.1	258.3	275.4	278.2	279.7	281.1	280.7	282.4	282.9	285.4
Fruits and vegetables	292.2	298.2	288.9	292.6	311.0	321.0	323.2	315.3	310.2	318.1
Fresh	297.6	310.9	288.7	294.2	327.8	342.8	344.3	326.5	316.0	329.7
Processed	288.8	286.9	291.6	293.3	295.1	299.9	302.8	305.7	306.5	308.0
Cereals and bakery products	292.5	292.4	295.7	297.1	299.8	300.3	301.5	302.8	303.5	304.9
Sugar and sweets	374.4	374.5	376.0	377.7	380.0	381.2	384.8	387.7	390.0	391.2
Beverages, nonalcoholic	432.2	431.0	435.2	433.7	439.1	441.8	443.5	443.6	441.7	442.3
Apparel commodities less footwear	180.8	179.7	185.3	183.4	179.8	179.3	182.3	182.6	181.7	179.8
Footwear	206.9	206.8	209.1	207.9	206.7	206.4	207.7	208.9	210.2	209.6
Tobacco products	291.0	285.9	299.9	299.9	304.3	305.4	305.6	305.9	305.9	308.1
Beverages, alcoholic	216.5	217.0	218.6	218.1	219.0	219.9	220.7	221.3	221.5	222.4

<sup>1</sup> Beef, veal, lamb, pork, and processed meat. <sup>2</sup> Includes butter. <sup>3</sup> Excludes butter.



Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1983	1984					
	1981	1982	1983 p	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
<b>Finished goods<sup>1</sup></b>	269.8	280.6	285.2	285.0	289.5	290.6	291.7	291.4	291.5	291.2
Consumer foods	253.6	259.3	261.8	261.2	272.2	274.7	277.0	275.0	272.3	270.8
Fresh fruit	228.9	236.9	251.2	239.6	232.9	232.2	220.3	213.2	239.4	259.7
Fresh and dried vegetables	278.0	246.5	248.9	263.6	316.5	355.3	357.4	283.5	240.2	262.5
Eggs	187.1	178.7	n.a.	169.3	282.4	280.7	235.8	264.4	201.0	177.9
Bakery products	268.2	275.4	285.7	284.8	292.8	294.8	295.7	294.5	295.6	298.9
Meats	239.0	250.6	236.7	241.7	239.9	241.2	239.5	239.8	235.8	233.1
Beef and veal	246.8	245.0	236.7	248.4	241.6	248.6	253.8	247.4	238.6	231.5
Pork	218.1	251.1	227.6	224.1	232.2	222.6	208.7	218.0	219.7	224.0
Poultry	193.3	178.7	185.0	179.4	214.7	215.6	218.2	211.5	206.6	200.7
Fish	377.8	422.4	448.2	417.8	465.1	436.6	588.4	566.5	556.2	449.1
Dairy products	245.6	248.9	250.6	250.4	248.5	248.6	249.0	249.2	248.9	249.4
Processed fruits and vegetables	261.2	274.5	277.1	277.1	285.3	291.8	293.2	295.6	297.4	298.2
Shortening and cooking oils	238.0	234.4	256.1	236.4	291.1	285.7	290.9	297.8	322.8	329.5
Consumer finished goods less foods	276.5	287.8	291.3	291.6	292.5	293.1	293.9	293.7	295.1	295.3
Beverages, alcoholic	189.5	197.8	205.0	206.1	207.6	208.7	207.8	210.0	211.6	208.0
Soft drinks	305.1	319.1	327.4	325.1	332.6	334.5	337.1	337.6	340.0	338.5
Apparel	186.0	194.4	197.1	197.9	198.7	199.8	200.7	200.3	201.2	200.7
Footwear	240.9	245.0	250.1	249.9	251.7	251.6	253.3	251.8	251.8	250.3
Tobacco products	268.3	323.2	365.3	352.1	389.4	390.3	390.3	390.4	390.6	400.2
<b>Intermediate materials<sup>2</sup></b>	306.0	310.4	312.4	311.3	316.6	317.6	319.5	320.2	320.8	321.6
Materials for food manufacturing	260.4	255.1	258.4	257.0	268.6	268.3	269.2	271.3	275.6	274.7
Flour	191.9	183.4	186.4	189.7	182.4	181.4	184.2	188.3	187.2	190.6
Refined sugar <sup>3</sup>	171.8	161.3	172.0	172.8	173.8	173.4	174.2	174.5	174.6	174.4
Crude vegetable oils	185.4	160.1	193.8	171.6	241.4	220.3	247.7	253.6	306.7	298.4
<b>Crude materials<sup>4</sup></b>	329.0	319.5	323.6	323.3	333.7	332.6	339.4	340.1	338.5	333.2
Foodstuffs and feedstuffs	257.4	247.8	252.3	252.1	264.0	260.5	270.7	270.4	267.2	260.7
Fruits and vegetables <sup>5</sup>	267.3	253.7	261.7	264.4	290.4	311.5	307.0	262.8	251.1	272.9
Grains	248.4	210.9	240.4	241.5	245.5	235.3	250.9	262.1	256.2	257.8
Livestock	248.0	257.8	243.1	251.7	250.7	251.9	260.8	260.8	254.8	250.0
Poultry, live	201.2	191.9	206.6	199.3	252.6	251.3	258.4	240.8	240.6	227.7
Fibers, plant and animal	242.0	202.9	227.0	229.7	229.3	232.7	250.3	252.3	259.1	252.7
Milk	287.4	282.5	282.0	278.6	279.1	275.7	274.2	272.7	271.7	271.8
Oilseeds	277.6	214.5	245.3	213.8	273.1	251.0	274.9	280.1	298.7	281.9
Coffee, green	330.1	311.5	300.1	298.8	301.3	301.3	301.3	310.2	310.2	310.2
Tobacco, leaf	246.9	269.9	274.2	275.0	265.6	263.4	n.a.	n.a.	274.6	261.0
Sugar, raw cane	272.7	278.5	315.9	323.0	309.4	315.7	314.8	314.4	315.4	315.5
<b>All commodities</b>	293.4	299.3	303.1	302.4	308.0	308.9	311.1	311.4	311.7	311.4
<b>Industrial commodities</b>	304.1	312.3	315.8	315.3	319.1	320.6	321.9	322.5	323.3	323.9
<b>All foods<sup>6</sup></b>	251.8	254.4	257.5	256.8	268.3	270.3	273.5	271.6	269.8	267.6
Farm products and processed foods and feeds	251.5	248.9	253.9	252.5	264.4	263.4	268.3	267.9	266.3	262.7
Farm products	254.9	242.4	248.2	247.4	263.4	261.6	267.4	265.4	260.8	257.1
Processed foods and feeds	248.7	251.5	256.0	254.3	263.8	263.4	267.8	268.2	268.3	264.8
Cereal and bakery products	255.5	253.8	260.9	260.3	266.6	267.1	267.9	268.2	268.6	271.5
Sugar and confectionery	275.9	269.7	292.8	296.0	299.9	300.5	299.3	301.8	303.6	304.0
Beverages	248.0	256.9	263.6	263.0	268.7	270.2	270.2	271.6	273.6	271.7

<sup>1</sup> Commodities ready for sale to ultimate consumer. <sup>2</sup> Commodities requiring further processing to become finished goods. <sup>3</sup> All types and sizes of refined sugar. <sup>4</sup> Products entering market for the first time which have not been manufactured at that point. <sup>5</sup> Fresh and dried. <sup>6</sup> Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

# Farm-Retail Price Spreads

## Market basket of farm foods

	Annual			1983		1984				
	1981	1982	1983 p	June	Jan	Feb	Mar	Apr	May	June
<b>Market basket<sup>1</sup></b>										
Retail cost (1967=100) . . . . .	257.1	266.4	268.7	269.6	277.2	280.7	279.9	279.4	277.4	278.0
Farm value (1967=100) . . . . .	243.0	245.7	240.3	241.8	259.0	259.8	255.4	259.4	252.2	249.4
Farm-retail spread (1967=100) . . .	265.4	278.6	285.5	286.0	288.1	292.7	294.3	291.2	292.2	294.7
Farm value/retail cost (%) . . . . .	35.0	34.2	33.1	33.2	34.6	34.3	33.8	34.4	33.7	33.2
<b>Meat products</b>										
Retail cost (1967=100) . . . . .	257.8	270.3	267.2	270.2	266.4	270.0	268.8	268.9	267.9	266.8
Farm value (1967=100) . . . . .	235.5	251.3	235.8	245.2	244.3	247.1	242.4	250.1	242.7	237.5
Farm-retail spread (1967=100) . . .	284.0	292.4	304.0	299.5	292.3	296.7	300.0	291.0	297.4	301.2
Farm value/retail cost (%) . . . . .	49.3	50.2	47.6	48.9	49.5	49.4	48.6	50.2	48.9	48.0
<b>Dairy products</b>										
Retail cost (1967=100) . . . . .	243.6	247.0	250.0	249.8	250.8	250.9	250.8	251.5	251.0	251.7
Farm value (1967=100) . . . . .	265.9	261.9	262.1	258.1	259.1	255.2	253.6	252.5	253.8	252.9
Farm-retail spread (1967=100) . . .	224.1	233.9	239.3	242.5	243.5	247.1	248.3	250.6	248.5	250.6
Farm value/retail cost (%) . . . . .	51.0	49.6	49.0	48.3	48.3	47.6	47.3	47.0	47.3	47.0
<b>Poultry</b>										
Retail cost (1967=100) . . . . .	198.6	194.9	197.5	193.6	217.5	225.5	223.2	222.3	218.0	219.6
Farm value (1967=100) . . . . .	210.2	201.9	213.0	209.9	270.6	265.8	268.5	254.5	246.2	244.3
Farm-retail spread (1967=100) . . .	187.4	188.1	182.4	177.8	186.2	186.6	179.3	191.1	190.7	195.7
Farm value/retail cost (%) . . . . .	52.0	50.7	53.1	53.3	61.2	58.0	59.2	56.3	55.5	54.7
<b>Eggs</b>										
Retail cost (1967=100) . . . . .	183.8	178.7	187.1	173.8	266.5	270.3	237.2	249.6	218.9	185.8
Farm value (1967=100) . . . . .	206.5	189.8	206.1	191.4	332.6	318.4	263.4	313.1	223.3	192.8
Farm-retail spread (1967=100) . . .	150.9	162.7	159.5	148.4	170.9	200.9	199.4	157.8	212.4	175.7
Farm value/retail cost (%) . . . . .	66.4	62.8	65.1	65.1	73.8	69.6	65.6	74.1	60.3	61.3
<b>Cereal and bakery products</b>										
Retail cost (1967=100) . . . . .	271.1	283.4	292.5	292.4	299.8	300.3	301.5	302.8	303.5	304.9
Farm value (1967=100) . . . . .	204.4	178.8	186.6	181.7	192.3	194.9	194.7	203.4	203.9	197.7
Farm-retail spread (1967=100) . . .	284.9	305.1	314.0	315.3	322.0	322.1	323.6	323.4	324.1	327.1
Farm value/retail cost (%) . . . . .	12.9	10.8	11.1	10.7	11.0	11.1	11.1	11.5	11.5	11.1
<b>Fresh fruits</b>										
Retail cost (1967=100) . . . . .	286.1	323.2	303.6	313.9	301.1	305.5	310.8	313.3	330.1	358.9
Farm value (1967=100) . . . . .	238.8	288.8	220.6	206.8	283.4	279.4	252.9	255.8	282.0	340.8
Farm-retail spread (1967=100) . . .	307.3	338.7	340.8	362.0	309.1	317.2	336.8	339.1	351.7	367.0
Farm value/retail cost (%) . . . . .	25.9	27.7	22.5	20.4	29.2	28.3	25.2	25.3	26.5	29.4
<b>Fresh vegetables</b>										
Retail costs (1967=100) . . . . .	287.4	288.9	299.3	311.3	363.6	386.6	385.4	347.4	316.8	317.1
Farm value (1967=100) . . . . .	285.6	261.3	267.4	286.0	328.9	359.5	369.1	332.0	268.5	289.8
Farm-retail spread (1967=100) . . .	288.3	301.8	314.3	323.2	379.9	399.3	393.0	354.7	339.5	329.9
Farm value/retail cost (%) . . . . .	31.8	28.9	28.6	29.4	28.9	29.7	30.6	30.6	27.1	29.2
<b>Processed fruits and vegetables</b>										
Retail cost (1967=100) . . . . .	271.5	286.0	288.8	286.9	295.1	299.9	302.8	305.7	306.5	308.0
Farm value (1967=100) . . . . .	290.6	269.2	252.5	249.2	254.0	259.8	265.3	265.5	277.1	276.5
Farm-retail spread (1967=100) . . .	267.3	289.7	296.8	295.4	304.2	308.8	311.1	314.6	312.9	314.9
Farm value/retail costs (%) . . . . .	19.4	17.1	15.8	15.7	15.8	15.7	15.9	15.7	16.4	16.3
<b>Fats and oils</b>										
Retail cost (1967=100) . . . . .	267.1	259.9	263.1	258.3	279.7	281.1	280.7	282.4	282.9	285.4
Farm value (1967=100) . . . . .	262.4	207.8	251.0	222.8	324.9	312.0	330.1	344.8	408.0	366.3
Farm-retail spread (1967=100) . . .	268.9	279.9	267.8	272.0	262.4	269.2	261.7	258.4	234.8	254.3
Farm value/retail cost (%) . . . . .	27.3	22.2	26.5	24.0	32.2	30.8	32.7	33.4	40.1	35.6

<sup>1</sup> Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 702, ERS, USDA.



# Farm-retail price spreads

	Annual			1983			1984			
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
<b>Beef, Choice</b>										
Retail price <sup>1</sup> (cts./lb.)	238.7	242.5	238.1	244.1	239.3	243.9	244.6	244.8	241.9	239.7
Net carcass value <sup>2</sup> (cts.)	149.3	150.7	145.4	152.0	155.9	152.1	155.0	152.9	146.9	144.4
Net farm value <sup>3</sup> (cts.)	138.5	140.5	136.2	143.3	146.1	144.5	147.5	145.5	137.8	136.7
Farm-retail spread (cts.)	100.2	102.0	101.9	100.8	93.2	99.4	97.1	99.3	104.1	103.0
Carcass-retail spread <sup>4</sup> (cts.)	89.4	91.8	92.7	92.1	83.4	91.8	89.6	91.9	95.0	95.3
Farm-carcass spread <sup>4</sup> (cts.)	10.8	10.2	9.2	8.7	9.8	7.6	7.5	7.4	9.1	7.7
Farm value/retail price (%)	58	58	57	59	61	59	60	59	57	57
<b>Pork</b>										
Retail price <sup>1</sup> (cts./lb.)	152.4	175.4	169.8	168.2	162.2	162.9	159.4	159.8	158.6	159.9
Wholesale value <sup>2</sup> (cts.)	106.7	121.8	108.9	105.8	112.9	109.2	103.8	107.1	110.6	110.8
Net farm value <sup>3</sup> (cts.)	70.3	88.0	76.6	73.1	79.3	73.6	74.1	76.0	75.6	80.0
Farm-retail spread (cts.)	82.1	87.4	93.3	95.1	82.9	89.3	85.3	83.8	83.0	79.9
Wholesale-retail spread <sup>4</sup> (cts.)	45.7	53.6	60.9	62.4	49.3	53.7	55.6	52.7	48.0	49.1
Farm-wholesale spread <sup>4</sup> (cts.)	36.4	33.8	32.4	32.7	33.6	35.6	29.7	31.1	35.0	30.8
Farm value/retail price (%)	46	50	45	43	49	45	46	48	48	50

<sup>1</sup> Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. <sup>2</sup> Value of carcass quantity equivalent to 1 lb. of retail cuts; beef adjusted for value of fat and bone byproducts. <sup>3</sup> Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. <sup>4</sup> Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. <sup>5</sup> Represents charges made for livestock marketing, processing, and transportation to city where consumed.

# Price indexes of food marketing costs<sup>1</sup>

	Annual			1983				1984	
	1981	1982	1983	I	II	III	IV	I p	II p
1967=100									
<b>Labor-hourly earnings and benefits</b>	321.3	342.7	354.7	351.3	353.7	355.1	358.7	364.0	366.0
Processing	309.2	330.0	340.9	338.8	341.5	339.8	343.4	349.6	351.7
Wholesaling	309.5	334.7	350.6	346.1	348.3	352.1	355.8	361.1	363.2
Retailing	338.6	358.9	370.4	366.1	368.3	371.7	375.3	379.5	381.5
<b>Packaging and containers</b>	280.9	275.2	280.7	272.3	278.7	282.2	289.6	300.8	305.8
Paperboard boxes and containers	258.2	254.9	251.0	244.6	248.8	251.3	259.2	269.2	277.1
Metal cans	345.8	363.6	374.3	365.4	379.3	372.6	380.1	394.6	395.6
Paper bags and related products	258.9	264.4	265.4	265.1	264.3	264.6	267.5	272.8	279.7
Plastic films and bottles	262.5	200.0	226.2	201.3	215.4	236.7	251.1	272.1	272.1
Glass containers	328.6	355.5	352.4	355.5	352.4	351.3	350.3	351.0	361.9
Metal foil	203.3	213.2	214.0	211.6	211.6	214.0	218.8	223.7	227.8
<b>Transportation services</b>	345.9	371.0	374.5	374.3	374.2	374.2	375.1	390.5	390.5
<b>Advertising</b>	234.9	260.1	280.2	272.4	279.1	283.5	285.8	294.4	299.4
<b>Fuel and power</b>	669.2	705.1	705.1	713.2	689.6	710.2	707.3	710.9	713.2
Electric	367.9	406.0	417.9	411.0	413.6	427.2	419.9	423.9	437.3
Petroleum	1,056.2	1,012.4	895.9	953.4	843.6	884.5	902.0	915.4	883.2
Natural gas	826.3	990.3	1,155.0	1,120.3	1,171.0	1,177.2	1,151.4	1,137.3	1,168.5
<b>Communications, water and sewage</b>	168.7	186.7	199.6	196.9	198.4	200.6	202.4	212.4	214.2
<b>Rent</b>	255.0	264.3	260.6	260.8	261.3	259.5	260.9	259.9	262.4
<b>Maintenance and repair</b>	304.0	325.1	338.2	333.3	336.5	339.1	344.0	346.3	348.8
<b>Business services</b>	254.2	277.2	291.9	288.3	290.0	292.9	296.6	299.5	302.4
<b>Supplies</b>	283.8	289.1	286.5	286.7	285.5	286.7	287.1	287.5	289.1
<b>Property taxes and insurance</b>	294.0	309.9	327.5	321.6	325.9	329.9	332.7	337.9	343.4
<b>Interest, short-term</b>	288.8	232.6	174.0	163.2	168.4	184.7	179.8	184.9	210.8
<b>Total marketing cost Index</b>	317.5	333.9	342.4	338.5	340.6	343.5	346.8	353.8	356.7

<sup>1</sup> Indexes measure changes in employee wages and benefits and in prices of supplies and services used in processing, wholesaling, and retailing U.S. farm foods purchased for at-home consumption. p = preliminary.

Note: Annual historical data on food marketing cost indexes may be found in Food Consumption, Prices, and Expenditures, Statistical Bulletin 702, ERS, USDA.

# Livestock and Products

## Poultry and eggs

	Annual			1983	1984					
	1981	1982	1983 p	June	Jan	Feb	Mar	Apr	May	June
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.) . . .	11,906	12,039	12,381	1,125.2	1,028.9	984.5	1,068.8	1,052.2	1,149.4	—
Wholesale price, 9-city, (cts./lb.) <sup>1</sup> . . . . .	46.3	44.0	49.4	49.1	62.1	61.2	62.0	56.0	57.6	55.5
Price of broiler grower feed (\$/ton) . . . . .	227	210	223	217	243	243	242	246	246	243
Broiler-feed price ratio (lb.) <sup>2</sup> . . . . .	2.6	2.5	2.6	2.6	3.0	3.1	3.1	2.8	2.7	2.7
Broilers, stocks beginning of period (mil. lb.) . . .	22.4	32.6	22.3	18.4	21.2	23.3	16.4	14.4	20.6	21.7
Average weekly placements of broiler chicks, 19 States (mil.) . . . . .	77.1	80.2	80.4	83.7	79.5	81.1	85.2	86.6	69.4	87.5
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.) . .	2,509	2,459	2,563	231.3	138.1	139.0	155.1	162.9	198.6	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.) . . . . .	60.7	60.8	60.5	60.9	72.2	64.7	66.1	67.0	66.8	67.0
Price of turkey grower feed (\$/ton) . . . . .	249	229	247	246	257	256	252	258	258	254
Turkey-feed price ratio (lb.) <sup>2</sup> . . . . .	3.1	3.3	2.9	3.0	3.6	3.2	3.3	3.4	3.3	3.3
Turkeys, stocks beginning of period (mil. lb.) . . .	198.0	238.4	203.9	210.5	161.8	161.5	145.8	149.4	142.2	180.9
Poults placed in U.S. (mil.) . . . . .	( <sup>4</sup> )	( <sup>4</sup> )	181.8	21.0	14.0	15.3	18.3	19.1	21.1	20.4
<b>Eggs</b>										
Farm production (mil.) . . . . .	69,859	69,680	67,863	5,530	5,689	5,328	5,798	5,644	5,738	5,521
Average number of layers on farms (mil.) . . . . .	288	286	276	271	277	277	278	278	276	277
Rate of lay (eggs per layer) . . . . .	243	243	247	20.4	20.5	19.3	20.8	20.3	20.8	20.0
Cartoned price, New York, grade A large (cts./doz.) <sup>3</sup> . . . . .	73.2	70.1	75.2	69.7	115.0	104.0	91.0	103.7	75.9	—
Price of laying feed (\$/ton) . . . . .	210	190	204	201	219	217	214	214	214	212
Egg-feed price ratio (lb.) <sup>2</sup> . . . . .	6.0	6.1	6.1	5.8	8.8	8.6	7.4	8.5	6.4	5.8
<b>Stocks, first of month</b>										
Shell (thou. cases) . . . . .	31	34	34	32	13	28	17	36	35	41
Frozen (mil. lb.) . . . . .	24.3	23.7	25.4	21.2	11.8	11.0	11.4	12.0	12.7	12.8
Replacement chicks hatched (mil.) . . . . .	454	444	407	37.5	36.8	37.7	45.1	47.2	48.8	46.5

<sup>1</sup> 12-city composite weighted average beginning April 25, 1983. <sup>2</sup> Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. <sup>3</sup> Price of cartoned eggs to volume buyers for delivery to retailers. <sup>4</sup> Not reported.

## Wool

	Annual			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
U.S. wool price, Boston <sup>1</sup> (cts./lb.) . . . . .	278	247	212	198	230	230	230	245	234	230
Imported wool price, Boston <sup>2</sup> (cts./lb.) . . . . .	292	262	248	248	247	254	257	252	248	243
<b>U.S. mill consumption, scoured</b>										
Apparel wool (thou. lb.) . . . . .	127,752	105,857	126,729	13,012	11,194	12,719	14,254	12,108	12,090	n.a.
Carpet wool (thou. lb.) . . . . .	10,896	9,825	11,400	1,129	844	814	1,034	1,055	960	n.a.

<sup>1</sup> Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2½" and up. <sup>2</sup> Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.



## Dairy

	Annual			1983		1984				
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) <sup>1</sup>	12.57	12.48	12.49	12.50	12.05	12.06	12.08	12.07	12.08	12.09
Price of 16% dairy ration (\$/ton)	192	177	188	184	205	201	199	199	197	195
Milk-feed price ratio (lb.) <sup>2</sup>	1.43	1.54	1.45	1.43	1.34	1.34	1.33	1.32	1.31	1.31
<b>Wholesale prices</b>										
Butter, Grade A Chi. (cts./lb.)	148.0	147.7	147.3	147.3	140.4	141.2	142.1	142.9	142.9	150.0
Am. cheese, Wls. assembly pt. (cts./lb.)	139.4	138.3	138.3	137.4	135.8	135.5	135.9	135.9	135.9	136.0
Nonfat dry milk, (cts./lb.) <sup>3</sup>	93.1	93.2	93.2	93.4	90.7	90.7	90.7	90.7	90.7	90.7
<b>USDA net removals</b>										
Total milk equiv. (mil. lb.) <sup>4</sup>	12,860.9	14,281.6	16,813.5	1,846.6	1,889.0	1,398.2	1,037.9	944.0	1,090.2	706.5
Butter (mil. lb.)	351.5	382.0	413.2	40.1	61.2	47.2	28.2	19.2	22.2	4.1
Am. cheese (mil. lb.)	563.0	642.5	832.8	102.8	62.5	42.4	45.7	55.1	63.1	62.8
Nonfat dry milk (mil. lb.)	851.3	948.1	1,061.0	123.7	76.2	64.0	65.1	71.1	86.8	72.3
<b>Milk</b>										
Total milk production (mil. lb.)	133,013	135,802	139,968	12,273	11,490	10,905	11,741	11,674	12,283	11,832
Milk per cow (lb.)	12,177	12,309	12,587	1,104	1,039	995	1,078	1,075	1,132	1,091
Number of milk cows (thou.)	10,923	11,033	11,120	11,116	11,064	10,958	10,890	10,856	10,851	10,848
<b>Stocks, beginning</b>										
Total milk equiv. (mil. lb.) <sup>4</sup>	12,958	18,377	20,054	23,393	22,646	22,917	23,578	23,610	23,323	23,772
Commercial (mil. lb.)	5,752	5,398	4,603	5,350	5,234	5,216	5,303	5,348	5,261	5,557
Government (mil. lb.)	7,207	12,980	15,451	18,044	17,412	17,700	18,273	18,262	18,062	18,214
Imports, total equiv. (mil. lb.) <sup>4</sup>	2,329	2,477	2,618	145	247	150	172	223	221	n.a.
Commercial disappearance										
Milk equiv. (mil. lb.)	120,531	122,443	122,790	10,412	9,668	9,384	10,632	10,848	10,920	n.a.
<b>Butter</b>										
Production (mil. lb.)	1,228.2	1,257.0	1,299.2	103.7	126.0	113.0	111.1	106.2	105.9	n.a.
Stocks, beginning (mil. lb.)	304.6	429.2	466.8	576.1	499.4	510.6	532.5	529.3	532.4	535.5
Commercial disappearance (mil. lb.)	869.2	897.3	881.7	66.1	81.9	59.3	85.7	87.3	78.4	n.a.
<b>American cheese</b>										
Production (mil. lb.)	2,642.3	2,752.3	2,927.6	286.2	231.1	221.4	247.6	250.3	269.7	n.a.
Stocks, beginning (mil. lb.)	591.5	889.1	981.4	1,071.3	1,161.5	1,165.2	1,187.2	1,198.6	1,181.4	1,186.8
Commercial disappearance (mil. lb.)	2,147.9	2,166.8	2,083.2	188.7	181.5	184.3	191.8	208.0	197.2	n.a.
<b>Other cheese</b>										
Production (mil. lb.)	1,635.3	1,789.4	1,890.8	158.5	156.3	147.7	165.3	165.0	167.1	n.a.
Stocks, beginning (mil. lb.)	99.3	86.6	82.8	105.2	104.9	105.4	103.4	100.2	101.0	104.6
Commercial disappearance (mil. lb.)	1,875.6	2,044.6	2,133.3	166.5	176.1	185.1	186.2	185.8	187.0	n.a.
<b>Nonfat dry milk</b>										
Production (mil. lb.)	1,314.3	1,400.5	1,499.9	154.2	111.9	105.0	109.2	113.8	128.5	n.a.
Stocks, beginning (mil. lb.)	586.8	889.7	1,282.0	1,402.4	1,394.9	1,413.3	1,404.3	1,421.0	1,442.6	1,420.7
Commercial disappearance (mil. lb.)	464.1	447.7	459.9	38.6	44.4	44.4	48.2	34.7	34.2	n.a.
<b>Frozen dessert production (mil. gal.)<sup>5</sup></b>	1,167.7	1,178.2	1,221.5	130.0	74.7	89.5	106.9	102.3	117.6	n.a.

<sup>1</sup> Manufacturing grade milk. <sup>2</sup> Pounds of 16% protein ration equal in value to 1 pound of milk. <sup>3</sup> Prices paid f.o.b. Central States production area, high heat spray process. <sup>4</sup> Milk-equivalent, fat-solids basis. <sup>5</sup> Ice cream, ice milk, and sherbet. n.a. = not available.

## Meat animals

	Annual			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) <sup>1</sup> . . . . .	7,863	7,201	8,316	7,331	8,006	7,917	7,515	7,568	7,376	7,318
Placed on feed (thou. head) . . . . .	17,814	20,261	19,727	1,595	1,566	1,301	1,764	1,515	1,798	1,455
Marketings (thou. head) . . . . .	17,198	18,007	18,680	1,570	1,569	1,821	1,594	1,523	1,637	1,554
Other disappearance (thou. head) . . . .	1,263	1,139	1,354	78	86	82	117	184	219	94
Beef steer-corn price ratio, Omaha (bu.) <sup>2</sup> . . . . .	22.2	26.5	20.6	21.2	21.6	22.1	21.1	20.4	19.7	19.1
Hog-corn price ratio, Omaha (bu.) <sup>2</sup> . . .	15.5	22.9	15.9	14.7	16.0	15.3	14.5	14.5	14.3	14.8
<b>Market prices (\$ per cwt.)</b>										
<b>Slaughter cattle:</b>										
Choice steers, Omaha . . . . .	63.84	64.30	62.52	65.90	67.08	67.07	68.60	67.86	65.89	64.28
Utility cows, Omaha . . . . .	41.93	39.96	39.35	42.26	33.26	39.69	44.01	42.88	42.17	42.16
Choice vealers, S. St. Paul . . . . .	77.16	77.70	72.97	71.00	64.94	77.50	77.50	77.50	78.00	75.47
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb. . . . .	66.24	64.82	63.70	64.75	65.06	66.45	67.42	67.51	65.70	62.70
<b>Slaughter hogs:</b>										
Barrows and gilts, 7-markets . . . . .	44.45	55.44	47.71	45.71	49.91	46.31	46.83	48.30	48.06	50.36
<b>Feeder pigs</b>										
S. Mo. 40-50 lb. (per head) . . . . .	35.40	51.14	33.96	25.31	33.61	43.48	50.12	51.08	42.85	39.48
<b>Slaughter sheep and lambs:</b>										
Lambs, Choice, San Angelo . . . . .	58.40	56.44	57.40	56.62	60.62	58.75	58.50	65.88	63.50	59.88
Ewes, Good, San Angelo . . . . .	26.15	21.80	16.85	14.50	20.00	30.40	22.88	22.25	13.45	15.56
<b>Feeder lambs:</b>										
Choice, San Angelo . . . . .	56.86	52.97	54.87	51.44	59.50	60.15	60.00	65.75	57.00	53.12
<b>Wholesale meat prices, Midwest</b>										
Choice steer beef, 600-700 lb. . . . .	99.84	101.31	97.83	102.47	105.74	102.86	105.14	103.50	99.62	98.54
Canner and Cutter cow beef . . . . .	84.06	78.96	78.48	82.98	70.63	79.45	83.62	80.51	75.85	76.25
Pork loins, 8-14 lb. <sup>3</sup> . . . . .	96.56	111.61	—	102.50	104.36	94.68	88.75	91.86	95.31	97.59
Pork bellies, 12-14 lb. . . . .	52.29	76.54	60.58	60.19	65.03	54.68	56.04	58.28	57.38	67.12
Hams, skinned, 14-17 lb. . . . .	77.58	91.47	75.60	63.51	70.44	68.80	78.00	77.52	74.44	72.03
<b>Commercial slaughter (thou. head)*</b>										
Cattle . . . . .	34,953	35,843	36,649	3,139	3,107	2,971	3,090	2,854	3,300	3,187
Steers . . . . .	17,508	17,277	17,486	1,523	1,460	1,436	1,517	1,395	1,632	1,571
Helfers . . . . .	10,027	10,394	10,758	945	815	827	870	760	898	879
Cows . . . . .	6,843	7,354	7,597	595	772	660	648	627	703	669
Bulls and stags . . . . .	775	818	808	75	49	53	62	64	73	72
Calves . . . . .	2,798	3,021	3,076	232	277	255	285	249	255	242
Sheep and lambs . . . . .	6,008	6,449	6,619	526	553	561	600	616	574	517
Hogs . . . . .	91,575	82,190	87,584	7,251	7,188	6,812	7,802	7,161	7,366	6,594
<b>Commercial production (mil. lb.)</b>										
Beef . . . . .	22,214	22,366	23,060	1,970	1,913	1,858	1,937	1,776	2,059	1,984
Veal . . . . .	415	423	428	34	39	36	40	36	39	38
Lamb and mutton . . . . .	327	356	367	29	31	32	35	34	31	27
Pork . . . . .	15,716	14,121	15,117	1,266	1,234	1,165	1,338	1,233	1,281	1,156

	Annual			1983				1984		
	1981	1982	1983	I	II	III	IV	I	II	III
<b>Cattle on feed (13-States)</b>										
Number on feed (thou. head) <sup>1</sup> . . . . .	9,845	9,028	10,271	10,271	9,153	9,070	8,465	9,908	9,340	8,700
Placed on feed (thou. head) . . . . .	21,929	24,415	23,756	5,027	6,894	5,583	7,252	5,511	5,572	—
Marketings (thou. head) . . . . .	21,219	21,799	22,528	5,694	5,527	5,891	5,416	5,714	5,630	*5,995
Other disappearance (thou. head) . . . .	1,527	1,373	1,591	451	450	297	393	365	582	—
<b>Hogs and pigs (10-States)<sup>4</sup></b>										
Inventory (thou. head) <sup>1</sup> . . . . .	45,970	42,440	43,430	42,440	41,840	45,250	45,880	43,430	39,820	41,330
Breeding (thou. head) <sup>1</sup> . . . . .	6,021	5,670	6,605	5,670	5,928	6,224	5,829	5,605	5,392	5,735
Market (thou. head) <sup>1</sup> . . . . .	39,949	36,770	37,825	36,770	35,912	39,026	40,051	37,825	34,428	35,595
Farrowings (thou. head) . . . . .	9,821	8,930	9,628	2,090	2,768	2,400	2,370	1,926	2,462	*2,209
Pig crop (thou. head) . . . . .	72,591	65,767	71,892	15,543	21,063	17,675	17,611	13,988	18,677	—

<sup>1</sup> Beginning of period. <sup>2</sup> Bushels of corn equal in value to 100 pounds liveweight. <sup>3</sup> Beginning January 1984 prices are for 14-17 lbs. <sup>4</sup> Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). <sup>5</sup> Intentions. \*Classes estimated.



# Crops and Products

## Food grains

	Marketing year <sup>1</sup>			1983	1984					
	1980/81	1981/82	1982/83	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale prices</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) <sup>2</sup>	4.45	4.27	3.94	3.92	3.81	3.71	3.85	3.93	3.72	3.80
Wheat, DNS, Minneapolis (\$/bu.) <sup>2</sup>	4.46	4.17	3.94	4.15	4.15	4.06	4.20	4.28	4.39	4.40
Rice, S.W. La. (\$/cwt.) <sup>3</sup>	25.95	20.20	18.00	18.60	19.50	19.25	19.25	19.25	19.25	19.25
<b>Wheat</b>										
Exports (mil. bu.)	1,514	1,771	1,509	n.a.	121	116	129	105	121	n.a.
Mill grind (mil. bu.)	643	631	656	n.a.	56	58	58	54	n.a.	n.a.
Wheat flour production (mil. cwt.)	290	280	292	n.a.	25	26	26	24	n.a.	n.a.
	Marketing year <sup>1</sup>			1982	1983				1984	
	1980/81	1981/82	1982/83	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
<b>Wheat</b>										
Stocks, beginning (mil. bu.)	902	989	1,164	2,987	2,521	1,877	1,541	2,966	2,326	1,753
<b>Domestic use</b>										
Food (mil. bu.)	610	602	616	162	151	97	210	161	163	96
Feed and seed (mil. bu.) <sup>4</sup>	166	254	318	14	53	12	316	118	50	40
Exports (mil. bu.)	1,514	1,771	1,509	293	442	228	475	362	364	226

<sup>1</sup> Beginning June 1 for wheat and August 1 for rice. <sup>2</sup> Ordinary protein. <sup>3</sup> Long-grain, milled basis. <sup>4</sup> Feed use approximated by residual. n.a. = not available.

## Feed grains

	Marketing year <sup>1</sup>			1983	1984					
	1980/81	1981/82	1982/83	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale prices</b>										
Corn, No. 2 yellow, St. Louis (\$/bu.)	3.35	2.61	2.98	3.27	3.41	3.31	3.55	3.61	3.58	3.57
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.36	4.29	4.96	5.40	5.09	5.03	5.40	5.36	5.39	5.37
Barley, feed, Minneapolis (\$/bu.)	2.60	2.21	1.76	1.96	2.55	2.56	2.55	2.74	2.77	2.59
Barley, malting, Minneapolis (\$/bu.)	3.64	3.06	2.53	2.60	2.85	2.76	2.91	3.04	3.06	3.04
<b>Exports</b>										
Corn (mil. bu.)	2,355	1,967	1,870	152	173	159	177	175	164	112
Feed grains (mil. metric tons) <sup>2</sup>	69.4	58.4	54.0	4.2	5.3	4.8	5.4	5.0	4.6	3.2
	Marketing year <sup>1</sup>			1982	1983				1984	
	1980/81	1981/82	1982/83	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p
<b>Corn</b>										
Stocks, beginning (mil. bu.)	1,618	1,034	2,174	2,174	8,205	6,198	4,924	3,120	4,907	3,248
<b>Domestic use:</b>										
Feed (mil. bu.)	4,133	4,202	4,522	1,489	1,330	813	891	1,630	968	583
Food, seed, ind. (mil. bu.)	735	812	898	203	169	153	373	220	184	189
<b>Feed grains<sup>2</sup></b>										
Stocks, beginning (mil. metric tons)	52.4	34.6	68.2	68.2	247.9	188.8	149.5	97.3	159.7	107.8
<b>Domestic use:</b>										
Feed (mil. metric tons)	123.0	128.5	139.5	48.7	39.2	25.8	25.8	51.2	30.6	18.8
Food, seed, ind. (mil. metric tons)	23.9	25.8	28.0	6.7	5.3	5.1	10.9	7.2	5.5	5.7

<sup>1</sup> Beginning October 1 for corn and sorghum; June 1 for oats and barley. <sup>2</sup> Aggregated data for corn, sorghum, oats, and barley.

## Fats and oils

	Marketing year <sup>1</sup>			1983	1984					
	1981/82	1982/83	1983/84 F	June	Jan	Feb	Mar	Apr	May	June
<b>Soybeans</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) <sup>2</sup>	6.24	6.11	7.90	6.07	7.53	7.21	7.80	7.87	8.54	7.87
Crushings (mil. bu.)	1,029.7	1,108.0	970	81.6	93.8	79.2	86.1	74.6	79.3	n.a.
Exports (mil. bu.)	929.1	905.2	760	58.5	80.4	79.7	78.8	68.5	56.8	n.a.
<b>Soybean oil</b>										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	33	19.4	28.3	27.2	30.1	32.1	30.0	36.0
Production (mil. lb.)	10,979.4	12,040.4	10,689	891.0	1,052.5	896.9	972.7	846.6	906.3	n.a.
Domestic disappearance (mil. lb.)	9,536.3	9,857.3	9,600	804.0	910.9	931.3	780.1	781.6	901.4	n.a.
Exports (mil. lb.)	2,076.3	2,024.7	1,650	94.1	161.3	289.9	258.9	203.1	175.3	n.a.
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,551.0	1,919.2	1,907.0	1,582.8	1,519.6	1,380.1	1,209.7
<b>Soybean meal</b>										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.19	200	175.5	201.9	184.40	196.40	190.00	187.40	174.4
Production (thou. ton)	24,634.4	26,713.6	22,491	1,955.8	2,220.0	1,872.2	2,029.2	1,760.3	1,872.2	n.a.
Domestic disappearance (thou. ton)	17,714.4	19,306.0	17,300	1,491.2	1,447.7	1,323.3	1,429.9	1,409.4	1,548.1	n.a.
Exports (thou. ton)	6,907.5	7,108.7	5,450	533.8	687.6	578.0	580.8	400.1	315.5	n.a.
Stocks, beginning (thou. ton)	162.7	175.2	474	341.5	391.0	475.8	446.7	460.7	418.6	427.2
Margarine, wholesale price, Chicago (cts./lb.)	41.4	41.4	46.3	42.7	53.3	52.5	53.2	55.2	61.1	61.6

<sup>1</sup> Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. <sup>2</sup> Beginning April 1, 1982, prices based on 30-day delivery, using upper end of the range. n.a. = not available. F = Forecast.

## Cotton

	Marketing year <sup>1</sup>			1983	1984					
	1980/81	1981/82	1982/83	June	Jan	Feb	Mar	Apr	May	June
U.S. price, SLM, 1-1/16 in. (cts./lb.) <sup>2</sup>	83.0	60.5	63.1	70.74	70.6	71.4	74.89	75.6	79.44	76.00
<b>Northern Europe Prices</b>										
Index (cts./lb.) <sup>3</sup>	93.3	73.8	76.7	86.01	87.6	87.4	88.43	88.9	88.88	83.71
U.S. M 1-3/32" (cts./lb.) <sup>4</sup>	n.a.	75.9	78.0	85.05	85.5	85.4	88.20	89.6	91.25	83.00
U.S. mill consumption (thou. bales)	5,870.5	5,263.8	5,512.8	572.1	488.2	464.8	568.8	450.2	462.4	524.0
Exports (thou. bales)	5,925.8	6,567.3	5,206.8	458.1	695.9	758.5	946.8	762.6	589.2	-

<sup>1</sup> Beginning August 1. <sup>2</sup> Average spot market. <sup>3</sup> Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. <sup>4</sup> Memphis territory growths. n.a. = not available.

## Fruit

	Annual			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
<b>Producer price indexes</b>										
Fresh fruit (1967=100)	226.7	235.4	250.6	238.7	232.9	232.2	320.3	213.2	239.4	259.7
Dried fruit (1967=100)	405.9	409.7	409.3	412.3	404.2	404.6	405.5	408.8	404.5	405.0
Canned fruit and juice (1967=100)	273.8	283.7	286.8	284.8	301.0	311.0	310.5	309.4	313.6	315.4
Frozen fruit and juice (1967=100)	302.8	305.5	300.9	301.3	308.2	339.9	341.9	349.9	351.9	359.1
<b>F.o.b. shipping point prices</b>										
Apples, Yakima Valley (\$/ctn.) <sup>1</sup>	n.a.	n.a.	n.a.	*11.00	10.75	*12.25	*12.30	*12.38	*12.50	*12.25
Pears, Yakima Valley (\$/box) <sup>2</sup>	n.a.	n.a.	n.a.	*13.38	9.88	8.58	6.56	*7.63	*6.88	*7.17
Oranges, U.S. avg. (\$/box) <sup>3</sup>	11.30	14.10	14.40	10.80	12.90	12.30	11.00	12.09	13.76	22.03
Grapefruit, U.S. avg. (\$/box) <sup>3</sup>	10.10	9.36	9.13	10.40	9.90	9.70	9.96	10.43	10.78	11.87
	Year ending			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
<b>Stocks, ending</b>										
Fresh apples (mil. lb.)	2,676.1	3,082.3	2,980.6	216.3	2,460.5	1,887.5	1,354.4	912.2	396.8	237.8
Fresh pears (mil. lb.)	207.9	180.9	250.6	.3	211.7	172.7	122.2	80.6	36.8	4.2
Frozen fruit (mil. lb.)	545.6	627.5	643.1	470.5	616.5	534.5	479.9	444.4	406.5	455.1
Frozen fruit juices (mil. lb.)	1,127.2	1,157.6	938.1	1,686.3	1,088.2	1,309.9	1,396.2	1,374.7	1,462.4	1,339.9

<sup>1</sup> Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. <sup>2</sup> D'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. <sup>3</sup> F.O.B. packed fresh. <sup>4</sup> Control atmosphere storage. n.a. = not available.



## Vegetables

	Annual			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
<b>Wholesale prices</b>										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	9.39	6.05	7.76	9.50	9.19	9.23	7.96	8.86	7.05	8.13
Iceberg lettuce (\$/crt.) <sup>1</sup> . . . . .	5.27	5.92	6.29	9.50	4.03	4.27	4.13	3.12	3.17	4.46
Tomatoes (\$/crt.) <sup>2</sup> . . . . .	9.06	7.40	8.69	7.91	13.85	15.25	11.95	8.60	7.75	6.48
<b>Wholesale price index, 10 canned</b>										
veg. (1977=100) . . . . .	137	137	137	133	142	144	145	145	145	147
<b>Grower price index, fresh commercial</b>										
veg. (1977=100) . . . . .	135	120	129	139	171	178	160	136	117	118

<sup>1</sup> Std. carton 24's f.o.b. shipping point. <sup>2</sup> 5 x 6-6 x 6, f.o.b. Fla-Cal.

## Sugar

	Annual			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
U.S. raw sugar price, N.Y. (cts./lb.) <sup>1</sup> . . .	19.73	19.92	22.04	—	21.51	21.90	22.00	22.03	22.01	22.06
U.S. deliveries (thou. short tons) <sup>2,3</sup> . . .	9,731	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

<sup>1</sup> Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid-August 1979 after being suspended November 3, 1977. <sup>2</sup> Raw value. <sup>3</sup> Excludes Hawaii. n.a. = not available.

## Tobacco

	Annual			1983	1984					
	1981	1982	1983 p	June	Jan	Feb	Mar	Apr	May	June
<b>Prices at auctions</b>										
Flue-cured (cts./lb.) <sup>1</sup> . . . . .	166.4	178.6	177.9	—	—	—	—	—	—	—
Burley (cts./lb.) <sup>1</sup> . . . . .	180.8	180.3	179.5	—	174.5	170.5	—	—	—	—
<b>Domestic consumption<sup>2</sup></b>										
Cigarettes (bil.) . . . . .	640.0	633.0	603.0	60.4	49.9	44.6	50.8	47.4	n.a.	n.a.
Large cigars (mil.) . . . . .	3,893	3,607	3,565	344.5	276.2	257.5	297.8	260.5	n.a.	n.a.

<sup>1</sup> Crop year July-June for flue-cured, October-September for burley. <sup>2</sup> Taxable removals. n.a. = not available.

## Coffee

	Annual			1983	1984					
	1981	1982	1983 p	June	Jan	Feb	Mar	Apr	May p	June p
Composite green price, N.Y. (cts./lb.) . . .	122.10	132.00	131.51	126.61	143.75	145.02	146.13	145.46	147.76	144.79
Imports, green bean equivalent (mil.lb.) <sup>1</sup> .	2,248	2,352	2,260	185	221	179	199	260	223	175F
	Annual			1982	1983			1984		
	1981	1982	1983 p	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar p	Apr-June F
Roastings (mil. lb.) <sup>2</sup> . . . . .	2,324	2,293	2,238	674	554	486	549	650	575	510

<sup>1</sup> Green and processed coffee. <sup>2</sup> Instant soluble and roasted coffee. F = Forecast, p = preliminary.

# Supply and Utilization: Crops

## Supply and utilization: domestic measure<sup>1</sup>

	Area					Feed and resid- ual	Other domes- tic use	Ex- ports	Total use	Ending stocks	Farm price <sup>2</sup>
	Planted	Harves- ted	Yield	Produc- tion	Total supply <sup>3</sup>						
	Mil. acres		Bu/acre				Mil. bu				\$/bu
<b>Wheat</b>											
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82	88.9	81.0	34.5	2,799	3,791	142	714	1,771	2,627	1,164	3.65
1982/83	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84	76.4	61.4	39.4	2,420	3,938	384	725	1,429	2,544	1,394	3.54
1984/85	—	—	—	2,524	3,921	375	732	1,400	2,507	1,414	3.25- 3.50
	Mil. acres		lb/acre				Mil. cwt (rough equiv.)				\$/cwt
<b>Rice</b>											
1980/81	3.38	3.31	4,413	146.2	172.1	79.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,819	182.7	199.6	90.0	59.6	82.0	150.6	49.0	9.05
1982/83	3.30	3.26	4,710	153.6	203.3	89.0	54.0	68.9	131.8	71.5	8.11
1983/84	2.19	2.17	4,598	99.7	171.9	70.0	59.1	62.0	128.1	43.8	8.60
1984/85	—	—	—	135.0	179.9	90.0	61.0	62.0	132.0	47.9	8.00- 9.50
	Mil. acres		Bu/acre				Mil. bu				\$/bu
<b>Corn</b>											
1980/81	84.0	73.0	91.0	6,639	8,258	4,133	735	2,355	7,223	1,034	3.11
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84	60.2	51.4	81.0	4,166	7,287	3,925	950	1,900	6,775	512	3.25
1984/85	—	—	—	7,810	8,323	4,150	1,025	1,975	7,150	1,173	2.60- 3.05
	Mil. acres		Bu/acre				Mil. bu				\$/bu
<b>Sorghum</b>											
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82	16.0	13.7	64.0	876	984	428	11	249	688	296	2.39
1982/83	16.1	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84	11.7	9.8	48.7	479	879	390	10	225	625	254	2.85
1984/85	—	—	—	763	1,017	425	10	200	635	382	2.35- 2.75
	Mil. acres		Bu/acre				Mil. bu				\$/bu
<b>Barley</b>											
1980/81	8.3	7.3	49.7	361	563	174	175	77	426	137	2.86
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.45
1982/83	9.5	9.0	57.2	516	675	241	170	47	458	217	2.23
1983/84	10.4	9.7	52.3	508	732	278	173	92	543	189	2.45
1984/85	—	—	54.8	623	822	250	175	70	495	327	2.20- 2.50
	Mil. acres		Bu/acre				Mil. bu				\$/bu
<b>Oats</b>											
1980/81	13.4	8.7	53.0	458	697	432	74	13	520	177	1.79
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83	14.0	10.3	57.8	593	749	441	85	3	529	220	1.48
1983/84	20.3	9.1	52.6	477	727	466	78	2	546	181	1.69
1984/85	—	—	56.2	455	666	435	80	3	518	148	1.65- 1.95
	Mil. acres		Bu/acre				Mil. bu				\$/bu
<b>Soybeans</b>											
1980/81	70.0	67.9	26.4	1,792	2,151	489	1,020	724	1,833	318	7.57
1981/82	67.8	65.4	30.1	2,000	2,318	493	1,030	929	2,052	266	6.04
1982/83	70.9	69.4	31.5	2,190	2,444	486	1,108	905	2,099	345	5.69
1983/84	63.1	61.8	25.3	1,567	1,912	477	970	760	1,807	105	7.75
1984/85	—	—	—	2,025	2,130	490	990	825	1,905	225	5.65- 7.65
							Mil. lbs				c/lb
<b>Soybean oil</b>											
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84	—	—	—	10,714	11,975	—	9,600	1,650	11,250	725	31.0
1984/85	—	—	—	11,205	11,930	—	9,700	1,450	11,150	780	25.0- 31.0
							Thou. tons				\$/ton
<b>Soybean meal</b>											
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84	—	—	—	22,491	22,965	—	17,350	5,350	22,700	265	190
1984/85	—	—	—	23,820	24,085	—	18,150	5,500	23,650	435	145-175

See footnotes at end of table.



# Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total supply <sup>2</sup>	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price <sup>3</sup>
	Planted	Harvested									
	Mil. acres	lb/acre									
<b>Cotton</b>											
1980/81 . . . . .	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	\$2.7	74.7
1981/82 . . . . .	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	\$6.6	54.3
1982/83* . . . . .	11.3	9.7	590	12.0	18.8	—	5.5	5.2	10.7	\$7.9	59.4
1983/84* . . . . .	7.9	7.4	506	7.8	15.7	—	5.9	7.0	12.9	\$2.9	66.6
1984/85* . . . . .	—	—	—	11.8	14.7	—	5.6	5.5	11.1	\$3.7	—

## Supply and utilization—metric measure<sup>6</sup>

	Mil. hectares		Metric tons/ha	Mil. metric tons							\$/metric ton
<b>Wheat</b>											
1980/81 . . . . .	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82 . . . . .	36.0	32.8	2.32	76.2	103.2	3.9	19.4	48.2	71.5	31.7	134
1982/83* . . . . .	35.4	32.0	2.39	75.3	107.0	5.3	19.4	41.1	65.8	41.2	130
1983/84* . . . . .	31.1	24.9	2.65	65.9	107.2	10.4	19.9	38.9	69.2	37.9	130
1984/85* . . . . .	—	—	—	68.7	106.7	10.2	19.9	38.1	68.2	38.5	118-129
	Mil. metric tons (rough equiv.)										
<b>Rice</b>											
1980/81 . . . . .	1.4	1.3	4.95	6.6	7.8	0.4	2.5	4.2	7.1	0.7	282
1981/82 . . . . .	1.5	1.5	5.40	8.3	9.0	0.4	2.7	3.7	8.8	2.2	200
1982/83* . . . . .	1.3	1.3	5.28	7.0	9.2	0.4	2.5	3.1	6.0	3.2	179
1983/84* . . . . .	0.9	0.9	5.15	4.5	7.8	0.3	2.7	2.8	5.9	1.9	191
1984/85* . . . . .	—	—	—	6.1	8.2	0.4	2.8	2.8	6.0	2.2	176-209
	Mil. metric tons										
<b>Corn</b>											
1980/81 . . . . .	34.0	29.5	5.72	168.6	209.8	105.0	18.7	59.8	183.5	26.3	122
1981/82 . . . . .	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98
1982/83* . . . . .	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.5	185.2	79.2	106
1983/84* . . . . .	24.4	20.8	5.09	105.8	185.1	99.7	24.1	48.3	172.1	13.0	128
1984/85* . . . . .	—	—	—	198.4	211.4	105.4	26.0	50.2	181.8	29.8	102-120
<b>Feed Grain</b>											
1980/81 . . . . .	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82 . . . . .	49.9	43.1	5.71	246.2	281.1	128.5	25.8	58.6	212.9	68.2	—
1982/83* . . . . .	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3	—
1983/84* . . . . .	41.5	32.4	4.20	136.0	233.9	122.4	29.3	56.0	207.7	26.2	—
1984/85* . . . . .	—	—	—	237.9	264.8	128.0	31.3	56.8	216.0	48.8	—
<b>Soybeans</b>											
1980/81 . . . . .	28.3	27.5	1.78	48.8	58.5	2.4	27.8	19.7	49.9	8.7	278
1981/82 . . . . .	27.4	26.9	2.03	54.4	63.1	2.5	28.0	25.3	55.8	7.2	222
1982/83* . . . . .	28.7	28.1	2.15	59.6	66.5	2.4	30.2	24.6	57.1	9.4	209
1983/84* . . . . .	25.5	25.0	1.73	42.6	52.0	2.1	28.5	20.7	51.3	2.9	290
1984/85* . . . . .	—	—	—	55.11	59.3	2.4	29.4	22.5	54.3	6.3	220-312
<b>Soybean oil</b>											
1980/81 . . . . .	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82 . . . . .	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83* . . . . .	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84* . . . . .	—	—	—	4.86	5.42	—	4.36	.75	5.11	.33	728
1984/85* . . . . .	—	—	—	5.08	5.51	—	4.40	.66	5.06	.35	573-728
<b>Soybean meal</b>											
1980/81 . . . . .	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82 . . . . .	—	—	—	22.36	22.51	—	16.08	6.27	22.35	.16	201
1982/83* . . . . .	—	—	—	24.24	24.39	—	17.52	6.45	23.97	.43	206
1983/84* . . . . .	—	—	—	20.40	20.83	—	15.74	4.85	20.59	.24	220
1984/85* . . . . .	—	—	—	21.61	22.81	—	16.46	4.99	21.45	.40	176-220
	\$ /kg										

\$/kg

<b>Cotton</b>											
1980/81 . . . . .	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.56	\$ .59	1.65
1981/82 . . . . .	5.8	5.6	.61	3.41	3.99	—	1.15	1.43	2.58	\$1.44	1.20
1982/83* . . . . .	4.6	3.9	.66	2.60	4.05	—	1.20	1.13	2.33	\$1.73	1.31
1983/84* . . . . .	3.2	3.0	.57	1.69	3.42	—	1.28	1.52	2.80	\$ .63	1.47
1984/85* . . . . .	4.6	—	—	2.57	3.20	—	1.22	1.20	2.42	\$ .81	—

\*July 11, 1984 Supply and Demand Estimates. <sup>1</sup>Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. <sup>2</sup>Includes imports. <sup>3</sup>Season average. <sup>4</sup>Includes seed. <sup>5</sup>Upland and extra long staple. <sup>6</sup>Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. <sup>7</sup>Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. <sup>8</sup>Statistical discrepancy.

# General Economic Data

## Gross national product and related data

	Annual			1983			1984	
	1981 r	1982 r	1983 r	II r	III r	IV r	I r	II p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
<b>Gross national product<sup>1</sup></b>	2,957.8	3,069.3	3,304.8	3,267.0	3,346.6	3,431.7	3,553.3	3,646.4
Personal consumption expenditures	1,849.1	1,984.9	2,155.9	2,141.6	2,181.4	2,230.2	2,276.5	2,326.7
Durable goods	235.4	245.1	279.8	276.1	284.1	299.8	310.9	318.7
Nondurable goods	730.7	757.5	801.7	796.9	811.7	823.0	841.3	857.8
Clothing and shoes	114.3	116.8	127.0	127.1	126.8	132.5	136.1	142.0
Food and beverages	373.9	392.8	416.5	413.6	420.5	425.1	433.9	441.6
Services	883.0	982.2	1,074.4	1,068.6	1,085.7	1,107.5	1,124.4	1,150.2
Gross private domestic investment	484.2	414.9	471.6	449.6	491.9	540.0	623.8	631.5
Fixed investment	458.1	441.0	485.1	469.0	496.2	527.3	550.0	577.7
Nonresidential	353.9	349.6	352.9	339.3	353.9	383.9	398.8	421.2
Residential	104.3	91.4	132.2	129.8	142.3	143.4	151.2	156.6
Change in business inventories	26.0	-26.1	-13.5	-19.4	-4.3	12.7	73.8	53.8
Net exports of goods and services	28.0	19.0	-8.3	-6.5	-16.4	-29.8	-51.5	-58.0
Exports	369.9	348.4	336.2	328.1	342.0	346.1	358.9	371.4
Imports	341.9	329.4	344.4	334.5	358.4	375.9	410.4	429.4
Government purchases of goods and services	596.5	650.5	685.5	682.2	689.8	691.4	704.4	746.1
Federal	228.9	258.9	269.7	270.5	269.2	266.3	267.6	299.3
State and local	367.6	391.5	415.8	411.6	420.6	425.1	436.8	446.7

1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)

<b>Gross national product</b>	1,512.2	1,480.0	1,534.7	1,524.8	1,550.2	1,572.7	1,610.9	1,640.2
Personal consumption expenditures	950.5	963.3	1,009.2	1,006.2	1,015.6	1,032.4	1,044.1	1,061.7
Durable goods	140.9	140.5	157.5	156.2	159.6	167.2	173.7	177.6
Nondurable goods	360.8	363.1	376.3	374.9	378.5	383.2	387.1	396.0
Clothing and shoes	82.6	84.2	88.5	89.0	87.6	91.4	94.2	98.6
Food and beverages	180.9	182.3	188.9	187.4	190.9	191.2	189.7	193.4
Services	448.8	459.8	475.4	475.1	477.6	482.0	483.4	488.0
Gross private domestic investment	230.9	194.3	221.0	212.6	230.6	249.5	285.5	286.2
Fixed investment	219.6	204.7	224.6	218.7	229.8	242.2	253.9	264.6
Nonresidential	175.0	166.9	171.0	165.3	172.6	184.5	193.3	202.6
Residential	44.5	37.9	53.7	53.4	57.2	57.8	60.6	62.0
Change in business inventories	11.3	-10.4	-3.6	-6.1	.9	7.2	31.6	21.5
Net exports of goods and services	43.8	29.7	12.6	13.6	11.9	2.0	-8.3	-10.0
Exports	160.2	147.6	139.5	137.0	141.6	141.0	144.9	148.8
Imports	116.4	118.0	126.9	123.4	129.7	139.1	153.2	158.8
Government purchases of goods and services	287.0	292.7	291.9	292.4	292.0	288.8	289.5	302.4
Federal	110.3	117.0	116.2	117.2	115.6	113.0	112.2	123.7
State and local	176.8	175.7	175.7	175.2	176.4	175.8	177.3	178.7
<b>New plant and equipment expenditures (\$bil.)</b>	289.4	282.7	269.2	261.6	270.5	284.0	293.2	303.8
<b>Implicit price deflator for GNP (1972=100)</b>	195.60	207.38	215.34	214.25	215.89	218.21	220.58	222.31
<b>Disposable income (\$bil.)</b>	2,041.7	2,180.5	2,340.1	2,302.9	2,367.4	2,428.6	2,502.2	2,557.6
Disposable income (1972 \$bil.)	1,049.3	1,058.3	1,095.4	1,082.0	1,102.2	1,124.3	1,147.6	1,167.0
Per capita disposable income (\$)	8,874	9,382	9,977	9,832	10,082	10,318	10,608	10,821
Per capita disposable income (1972 \$)	4,561	4,555	4,670	4,619	4,694	4,776	4,865	4,937
<b>U.S. population, total, incl. military abroad (mil.)</b>	230.0	232.3	234.5	234.2	234.8	235.4	235.9	236.3
Civilian population (mil.)	227.9	230.1	232.3	232.0	232.6	233.2	233.7	234.1

See footnotes at end of next table.



Selected monthly indicators

	Annual			1983			1984			
	1981	1982	1983 p	June	Jan	Feb	Mar	Apr	May	June p
Monthly data seasonally adjusted except as noted										
Industrial production, total <sup>2</sup> (1967=100) . . . . .	151.0	138.6	147.6	146.4	158.5	160.0	160.8	162.2	162.8	163.6
Manufacturing (1967=100) . . . . .	150.4	137.6	148.2	147.4	159.5	161.4	162.1	163.6	164.2	164.8
Durable (1967=100) . . . . .	140.5	124.7	134.5	133.2	148.6	150.5	151.4	152.8	153.3	154.1
Nondurable (1967=100) . . . . .	164.8	156.2	168.1	167.8	175.2	177.2	177.6	179.2	179.9	180.2
Leading economic indicators <sup>1,3</sup> (1967=100) . . . . .	140.9	136.8	156.2	167.4	164.7	167.0	167.5	168.3	168.9	167.4
Employment <sup>4</sup> (mil. persons) . . . . .	100.4	99.5	100.8	100.7	103.2	103.9	104.1	104.4	105.3	105.7
Unemployment rate <sup>4</sup> (%) . . . . .	7.6	9.5	9.5	10.0	7.9	7.8	7.8	7.8	7.5	7.4
Personal income <sup>1</sup> (\$ bil. annual rate) . . . . .	2,429.5	2,584.6	2,744.2	2,734.4	2,897.4	2,923.5	2,940.6	2,969.0	2,980.7	3,004.6
Hourly earnings in manufacturing <sup>4,5</sup> (\$) . . . . .	7.99	8.50	8.84	8.79	9.09	9.08	9.09	9.11	9.10	9.13
Money stock-M1 (daily avg.) (\$bil.) <sup>6</sup> . . . . .	*440.6	*478.2	*525.3	510.9	530.0	532.9	535.1	535.3	541.0	546.1
Money stock-M2 (daily avg.) (\$bil.) <sup>6</sup> . . . . .	*1,794.9	*1,959.5	*2,196.2	2,117.0	2,206.8	2,222.5	2,230.0	2,242.7	2,258.4	2,271.5
Three-month Treasury bill rate <sup>7</sup> (%) . . . . .	14.029	10.686	8.63	8.82	8.93	9.03	9.44	9.69	9.90	9.94
Asa corporate bond yield (Moody's) <sup>7,8</sup> (%) . . . . .	14.17	13.79	12.04	11.74	12.20	12.08	12.57	12.81	13.28	13.55
Interest rate on new home mortgages <sup>1,6</sup> (%) . . . . .	14.70	15.14	12.57	12.36	12.29	12.23	12.02	12.04	12.18	12.13
Housing starts, private (incl. farm) (thou.) . . . . .	1,084	1,062	1,703	1,743	1,980	2,262	1,662	2,015	1,805	1,900
Auto sales at retail, total <sup>1</sup> (mil.) . . . . .	8.5	8.0	9.2	9.8	10.7	10.7	10.0	10.2	11.0	10.8
Business sales, total <sup>1</sup> (\$ bil.) . . . . .	355.8	343.5	367.1	369.0	401.1	398.8	401.9	405.9	412.3p	-
Business inventories, total <sup>1</sup> (\$ bil.) . . . . .	523.6	505.5	514.3	500.6	518.1	527.2	532.8	541.1	545.9p	-
Sales of all retail stores (\$ bil.) <sup>9</sup> . . . . .	87.0	89.5	97.8	98.6	106.6	105.5	103.9	107.5	108.1p	109.0
Durable goods stores (\$ bil.) . . . . .	26.3	27.0	32.1	32.8	37.1	36.9	35.3	37.4	37.8p	38.6
Nondurable goods stores (\$ bil.) . . . . .	60.7	62.5	65.7	65.8	69.5	68.6	68.6	70.1	70.3p	70.4
Food stores (\$ bil.) . . . . .	19.9	20.8	21.6	21.7	22.5	22.3	22.4	22.9	22.8p	22.9
Eating and drinking places (\$ bil.) . . . . .	8.2	8.6	9.6	9.6	10.3	10.3	10.2	10.3	10.2p	10.1
Apparel and accessory stores (\$ bil.) . . . . .	4.2	4.3	4.5	4.5	4.7	4.7	4.8	5.0	5.0p	5.1

<sup>1</sup> Department of Commerce. <sup>2</sup> Board of Governors of the Federal Reserve System. <sup>3</sup> Composite Index of 12 leading indicators. <sup>4</sup> Department of Labor, Bureau of Labor Statistics. <sup>5</sup> Not seasonally adjusted. <sup>6</sup> December of the year listed. <sup>7</sup> Moody's Investors Service. <sup>8</sup> Federal Home Loan Bank Board. <sup>9</sup> Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. r = revised.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1983			1984			
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	4.80	4.38	4.30	4.11	4.17	4.10	4.22	4.30	4.19	4.12
Corn, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	3.40	2.80	3.49	3.45	3.67	3.50	3.78	3.81	3.73	3.74
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	3.28	2.81	3.34	3.41	3.30	3.22	3.40	3.00	3.39	3.16
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.) . . . . .	7.40	6.36	7.31	6.33	7.94	7.64	8.26	8.25	8.81	8.09
Soybean oil, Decatur (cts./lb.) . . . . .	21.07	18.33	23.51	19.71	28.26	27.23	30.11	32.06	38.66	35.60
Soybean meal, Decatur (\$/ton) . . . . .	218.65	179.70	200.91	176.05	201.23	185.56	196.06	188.41	188.45	174.45
Cotton, 10 market avg. spot (cts./lb.) . . . . .	71.93	60.10	68.68	70.69	70.55	71.39	74.89	75.64	79.44	75.00
Tobacco, avg. price of auction (cts./lb.) . . . . .	156.48	172.20	173.96	174.92	168.94	167.58	166.52	166.06	166.06	166.06
Rice, f.o.b. mill, Houston (\$/cwt.) . . . . .	25.63	18.89	19.39	19.10	20.25	20.25	20.25	20.10	19.50	19.50
Inedible tallow, Chicago (cts./lb.) . . . . .	15.27	12.85	13.41	13.19	16.00	16.00	16.75	17.00	19.13	20.00
Import commodities										
Coffee, N.Y. spot (\$/lb.) . . . . .	1.27	1.41	1.33	1.28	1.50	1.51	1.51	1.48	1.48	1.47
Sugar, N.Y. spot (cts./lb.) . . . . .	19.73	19.86	22.04	22.54	21.51	21.90	22.00	22.03	22.00	22.06
Rubber, N.Y. spot (cts./lb.) . . . . .	56.79	45.48	56.19	55.36	57.64	58.19	57.77	56.44	51.16	47.50
Cocoa beans, N.Y. (\$/lb.) . . . . .	.90	.75	.92	1.00	1.15	1.11	1.13	1.13	1.19	1.08
Bananas, f.o.b. port of entry (\$/40-lb. box) . . . . .	7.28	6.80	7.93	9.16	6.20	7.56	7.51	7.52	7.73	8.33

p = preliminary. n.a. = not available.

# U.S. agricultural exports by regions

Region and country	October-May		May		Change from year earlier	
	1982/83	1983/84	1983	1984	October-May	May
	\$ Mil.				Percent	
<b>Western Europe</b>	7,405	7,379	689	616	0	-11
European Community	5,559	5,301	536	474	-5	-12
Belgium-Luxembourg	585	621	61	35	6	-43
France	405	417	24	54	3	125
Germany, Fed. Rep.	1,035	1,072	118	56	4	-53
Italy	812	606	61	61	-1	0
Netherlands	2,091	1,818	177	189	-13	7
United Kingdom	556	551	63	42	-1	-33
Other Western Europe	1,846	2,079	153	142	13	-7
Portugal	434	555	54	49	28	-9
Spain	894	1,028	43	61	15	42
Switzerland	260	258	30	12	-1	-60
<b>Eastern Europe</b>	556	512	79	74	-8	-6
German Dem. Rep.	111	108	11	17	-3	55
Poland	165	145	29	18	-12	-38
<b>USSR</b>	943	1,843	6	226	95	3,667
<b>Asia</b>	9,187	10,707	1,047	1,322	17	26
West Asia (Mideast)	947	1,214	102	157	28	54
Turkey	16	136	5	31	750	520
Iraq	177	258	37	63	46	70
Israel	184	249	8	19	35	138
Saudi Arabia	311	322	31	29	4	-6
South Asia	896	680	123	101	-24	-18
India	680	331	91	8	-51	-91
Pakistan	84	191	17	64	127	277
East and Southeast Asia	7,344	8,813	821	1,065	20	30
China	512	437	4	31	-15	675
Taiwan	829	1,029	105	131	24	25
Japan	3,898	4,937	450	592	27	32
Korea, Rep.	1,095	1,295	151	157	18	4
Hong Kong	231	275	28	32	19	14
Indonesia	252	314	25	62	25	148
Philippines	238	159	25	29	-33	16
<b>Africa</b>	1,370	1,887	208	322	38	55
North Africa	901	950	159	179	5	13
Morocco	140	184	8	30	31	275
Algeria	113	118	31	24	4	-23
Egypt	605	584	104	115	-4	11
Other Africa	469	937	49	143	100	192
Nigeria	188	252	10	41	34	310
Rep. S. Africa	67	415	8	52	519	550
<b>Latin America and Caribbean</b>	2,977	3,497	465	412	17	-11
Brazil	249	275	28	16	10	-43
Caribbean Islands	506	545	59	73	8	24
Colombia	175	154	18	16	-12	-11
Mexico	1,103	1,360	228	165	23	28
Peru	139	166	21	33	19	57
Venezuela	374	512	54	58	37	7
<b>Canada</b>	1,208	1,284	165	205	6	24
<b>Oceania</b>	153	150	19	16	-2	-16
<b>Total<sup>1</sup></b>	23,800	27,259	2,680	3,193	15	19

<sup>1</sup> Totals may not add due to rounding.



# U.S. agricultural imports

	October-May				May			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,020	1,246	382,433	411,063	152	148	49,457	34,513
Meats and preps., excl. poultry (mt)	613	577	1,375,586	1,236,982	85	73	189,119	151,652
Beef and veal (mt)	429	356	882,074	759,754	61	37	130,796	80,282
Pork (mt)	168	203	451,855	434,371	21	33	50,764	66,320
Dairy products (mt)	204	236	497,013	503,313	27	33	56,398	59,287
Poultry and products	—	—	54,411	82,330	—	—	8,184	8,168
Fats, oils, and greases (mt)	6	11	3,578	7,168	1	2	432	1,155
Hides and skins, incl. furskins	—	—	142,199	151,471	—	—	15,004	16,277
Wool, unmanufactured (mt)	23	43	78,267	142,055	3	6	8,847	21,655
Grains and feeds (mt)	976	1,110	291,472	347,205	127	120	37,426	37,111
Fruits, nuts, and preparations	—	—	1,257,759	1,521,129	—	—	192,829	256,132
Bananas and plantains (mt)	1,743	1,922	397,952	469,981	235	241	55,270	59,880
Vegetables and preparations (mt)	1,295	1,669	815,470	972,151	184	173	113,819	113,046
Tobacco, unmanufactured (mt)	125	125	370,283	373,100	17	12	51,905	37,350
Cotton, unmanufactured (mt)	6	20	4,760	9,432	1	2	339	1,080
Seeds (mt)	79	75	74,509	78,535	7	10	5,853	13,161
Nursery stock and cut flowers	—	—	156,621	198,830	—	—	21,516	27,314
Sugar, cane or beet (mt)	1,736	2,101	666,192	835,658	302	185	123,213	68,379
Oilseeds and products (mt)	672	849	312,442	547,825	80	94	38,945	74,046
Oilseeds (mt)	120	175	52,708	72,044	12	19	6,405	7,868
Protein meal (mt)	59	91	9,583	16,583	6	12	1,056	2,019
Vegetable oils (mt)	493	584	250,151	459,198	62	63	31,485	64,159
Beverages excl. fruit juices (hl)	7,625	8,366	858,560	960,051	760	1,018	99,170	117,742
Coffee, tea, cocoa, spices, etc. (mt)	1,230	1,196	2,831,724	3,145,619	138	169	326,950	461,499
Coffee, incl. products (mt)	743	758	1,980,908	2,191,875	93	100	248,395	299,900
Cocoa beans and products (mt)	361	303	620,523	675,602	30	53	50,981	123,840
Rubber and allied gums (mt)	459	565	381,071	598,713	65	72	57,568	78,669
Other	—	—	484,108	562,726	—	—	89,111	68,802
Total	—	—	11,038,458	12,685,376	—	—	1,486,085	1,647,038

## Trade balance

	October-May		May	
	1982/83	1983/84	1983	1984
	\$ Mil.			
<b>Exports</b>				
Agricultural	23,600	27,259	2,680	3,193
Nonagricultural	105,842	111,018	13,175	15,059
Total <sup>1</sup>	129,642	138,277	15,855	18,252
<b>Imports</b>				
Agricultural	11,038	12,685	1,486	1,647
Nonagricultural	146,776	189,737	20,233	24,687
Total <sup>2</sup>	157,814	202,422	21,719	26,334
<b>Trade balance</b>				
Agricultural	12,762	14,574	1,194	1,546
Nonagricultural	-40,934	-76,719	-7,058	-9,628
Total	-28,172	-64,145	-5,864	-8,082

<sup>1</sup> Domestic exports including Department of Defense shipments (F.A.S. value). <sup>2</sup> Imports for consumption (customs value).

# U.S. agricultural exports

	October-May				May			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.) . . . . .	483	503	131,286	148,572	56	72	12,466	14,935
Meats and preps., excl. poultry (mt) . . . . .	278	288	640,582	636,885	32	35	74,706	77,853
Dairy products (mt) . . . . .	216	260	230,448	246,111	32	34	32,638	33,189
Poultry meats (mt) . . . . .	172	143	188,789	183,541	20	17	22,194	21,035
Fats, oils, and greases (mt) . . . . .	1,017	980	411,460	472,897	134	130	54,955	70,280
Hides and skins (incl. furskins) . . . . .	—	—	716,588	911,678	—	—	81,751	126,596
Cattle hides, whole (no.) . . . . .	15,397	16,425	476,024	564,625	1,778	2,327	58,928	98,588
Mink pelts (no.) . . . . .	2,118	2,142	55,054	56,888	293	302	6,575	6,878
Grains and feeds (mt) . . . . .	69,891	72,858	9,976,353	11,765,454	7,719	8,597	1,189,786	1,414,090
Wheat and wheat flour (mt) . . . . .	25,641	25,426	4,183,061	4,101,506	2,734	3,232	448,017	523,379
Rice (mt) . . . . .	1,327	1,458	520,016	585,825	201	210	73,944	73,389
Feed grains, excl. products (mt) . . . . .	37,593	40,506	4,272,328	5,996,399	4,035	4,588	532,938	695,366
Feeds and fodders (mt) . . . . .	4,761	4,859	790,676	863,052	621	509	101,476	96,707
Other grain products (mt) . . . . .	569	609	210,272	218,672	128	58	33,411	25,249
Fruits, nuts, and preparations (mt) . . . . .	1,448	1,353	1,265,291	1,204,904	179	164	142,075	155,571
Vegetables and preparations (mt) . . . . .	1,097	1,092	697,397	716,041	154	160	87,318	93,060
Tobacco, unmanufactured (mt) . . . . .	186	178	1,121,664	1,133,230	16	13	92,319	79,219
Cotton, excl. linters (mt) . . . . .	781	1,122	1,135,561	1,804,920	105	128	157,474	229,336
Seeds (mt) . . . . .	194	194	246,635	248,083	28	22	22,555	20,962
Sugar, cane or beet (mt) . . . . .	25	223	7,048	58,328	1	34	343	8,509
Oilseeds and products (mt) . . . . .	25,491	21,913	6,227,943	6,904,527	2,361	2,232	609,850	754,805
Oilseeds (mt) . . . . .	19,269	16,677	4,515,612	5,097,050	1,782	1,777	438,760	566,905
Soybeans (mt) . . . . .	18,171	15,663	4,192,512	4,672,638	1,592	1,546	384,623	475,689
Protein meal (mt) . . . . .	5,118	4,189	1,113,704	1,029,144	444	303	97,005	71,174
Vegetable oils (mt) . . . . .	1,104	1,047	598,627	778,334	131	151	74,088	116,727
Essential oils (mt) . . . . .	7	7	59,092	68,777	1	1	9,450	7,153
Other . . . . .	—	—	743,467	754,827	—	—	90,025	86,702
<b>Total . . . . .</b>	<b>—</b>	<b>—</b>	<b>23,799,604</b>	<b>27,258,775</b>	<b>—</b>	<b>—</b>	<b>2,679,905</b>	<b>3,193,295</b>

## Indexes of nominal and real trade-weighted dollar exchange rates

	1983						1984					
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
April 1971=100												
<b>Total agriculture</b>												
Nominal <sup>1</sup> . . . . .	354.4	384.1	403.2	429.8	454.4	478.4	505.7	538.8	580.4	619.3	662.1	710.5
Real <sup>2</sup> . . . . .	93.6	97.2	96.4	94.9	96.0	97.0	*97.8	*96.2	*94.1	*95.3	*97.4	*97.5
<b>Soybeans</b>												
Nominal . . . . .	145.8	149.1	149.3	148.8	152.3	155.3	157.5	155.1	152.9	155.6	162.8	163.0
Real . . . . .	89.0	92.2	91.8	89.8	91.5	93.0	*94.3	*91.7	*88.9	*89.9	*92.5	*92.5
<b>Wheat</b>												
Nominal . . . . .	1,290.1	1,443.6	1,553.3	1,713.1	1,843.4	1,972.7	2,126.0	2,332.2	2,588.1	2,802.4	3,017.5	3,304.8
Real . . . . .	98.5	103.4	101.9	101.2	101.7	101.6	*101.9	*101.6	*100.4	*101.7	*102.7	*103.2
<b>Corn</b>												
Nominal . . . . .	354.5	382.1	400.4	424.5	448.3	471.1	497.1	526.2	563.2	599.2	641.2	684.7
Real . . . . .	92.7	95.9	95.4	93.6	95.1	96.3	*97.4	*95.1	*92.4	*93.3	*95.9	*95.9
<b>Cotton</b>												
Nominal . . . . .	157.0	158.9	159.9	163.4	180.2	181.4	182.5	181.4	179.8	180.7	182.5	187.3
Real . . . . .	89.9	91.9	91.7	91.7	94.3	94.3	*94.1	*93.1	*91.8	*92.3	*93.3	*93.9

<sup>1</sup> Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. <sup>2</sup> Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

\*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.



# World Agricultural Production

## World supply and utilization of major crops

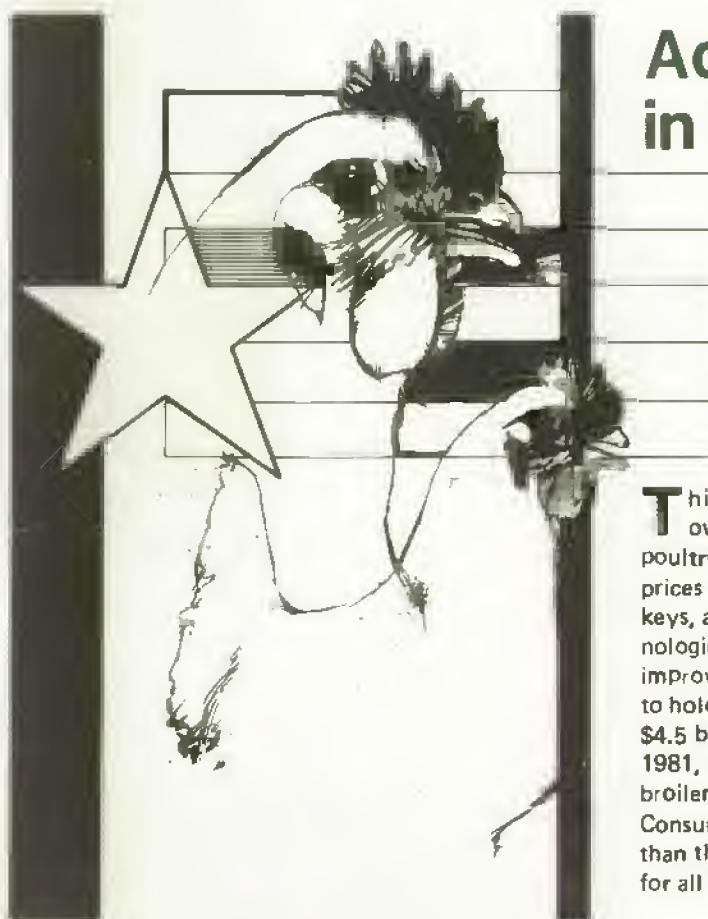
	1978/79	1979/80	1980/81	1981/82	1982/83 p	1983/84 F	1984/85 F
	Mil. units						
<b>Wheat</b>							
Area (hectare) . . . . .	228.9	227.6	236.6	239.7	238.8	228.1	—
Production (metric ton) . . . . .	446.8	422.8	441.3	449.6	479.5	489.5	496.3
Exports (metric ton) <sup>1</sup> . . . . .	72.0	86.0	94.1	101.3	98.3	101.8	102.2
Consumption (metric ton) <sup>2</sup> . . . . .	430.2	443.5	442.6	445.5	468.5	483.9	496.0
Ending stocks (metric ton) <sup>3</sup> . . . . .	100.9	80.4	80.9	85.3	96.3	101.9	102.2
<b>Coarse grains</b>							
Area (hectare) . . . . .	342.8	341.1	342.3	348.4	333.2	332.1	—
Production (metric ton) . . . . .	753.6	741.5	729.9	768.2	781.5	688.6	793.6
Exports (metric ton) <sup>1</sup> . . . . .	90.2	98.8	109.0	98.9	91.6	91.3	92.4
Consumption (metric ton) <sup>2</sup> . . . . .	748.1	740.3	739.8	741.6	756.2	760.9	769.6
Ending stocks (metric ton) <sup>3</sup> . . . . .	91.2	91.6	83.7	112.8	138.1	65.8	89.8
<b>Rice, milled</b>							
Area (hectare) . . . . .	144.1	143.1	144.5	145.3	140.6	144.4	—
Production (metric ton) . . . . .	260.7	253.9	271.0	280.6	285.4	305.2	308.2
Exports (metric ton) <sup>1</sup> . . . . .	11.6	12.7	13.1	11.6	11.8	12.2	11.7
Consumption (metric ton) <sup>2</sup> . . . . .	255.8	257.8	272.2	281.5	289.8	305.3	308.7
Ending stocks (metric ton) <sup>3</sup> . . . . .	27.7	23.4	22.1	21.2	16.8	16.8	16.3
<b>Total grains</b>							
Area (hectare) . . . . .	715.8	711.8	723.4	733.4	712.6	704.6	—
Production (metric ton) . . . . .	1,461.1	1,418.2	1,442.2	1,498.4	1,546.4	1,483.3	1,598.1
Exports (metric ton) <sup>1</sup> . . . . .	173.8	197.5	216.2	211.8	201.7	205.3	206.3
Consumption (metric ton) <sup>2</sup> . . . . .	1,434.1	1,441.9	1,454.6	1,468.6	1,514.5	1,550.1	1,574.3
Ending stocks (metric ton) <sup>3</sup> . . . . .	219.6	195.4	186.7	219.3	251.2	184.5	208.3
<b>Oilseeds and meals<sup>4, 5</sup></b>							
Production (metric ton) . . . . .	82.1	90.6	87.7	93.4	95.6	92.2	97.1
Trade (metric ton) . . . . .	40.6	51.8	48.6	54.1	54.0	50.9	51.5
<b>Fats and oils<sup>5</sup></b>							
Production (metric ton) . . . . .	48.5	52.0	52.5	55.2	57.3	56.9	57.8
Trade (metric ton) . . . . .	19.3	20.7	19.7	21.2	21.3	20.3	21.9
<b>Cotton</b>							
Area (hectare) . . . . .	32.4	32.2	32.4	33.2	32.2	31.8	—
Production (bale) . . . . .	59.6	65.2	64.8	70.8	67.5	67.6	73.9
Exports (bale) . . . . .	19.7	23.1	19.7	20.2	18.7	18.9	19.2
Consumption (bale) . . . . .	62.0	65.3	65.9	65.5	67.8	68.6	70.5
Ending stocks (bale) . . . . .	24.1	24.0	24.1	28.7	25.6	24.7	28.0

F = Forecast. p = preliminary. <sup>1</sup> Excludes intra-EC trade. <sup>2</sup> Where stocks data not available (excluding USSR), consumption includes stock changes. <sup>3</sup> Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. <sup>4</sup> Soybean meal equivalent. <sup>5</sup> Calendar year data. 1979 data correspond with 1978/79, etc. Excludes safflower, sesame, and castor oil.

## Rail rates; grain and fruit-vegetable shipments

	Annual			1983	1984					
	1981	1982	1983	June	Jan	Feb	Mar	Apr	May	June
Rail freight rate index <sup>1</sup>										
All products (1969=100) . . . . .	327.6	351.4	355.8	355.4	370.7	370.7	371.0p	371.1p	371.1p	371.1p
Farm products (1969=100) . . . . .	315.0	337.2	342.9	342.0	357.7	357.7	357.7p	357.7p	357.7p	357.7p
Grain (Dec. 1978=100) . . . . .	148.1	159.5	160.2	160.0	167.2	167.2	167.2p	161.2p	167.2p	167.2p
Food products (1969=100) . . . . .	329.4	353.2	356.6	356.4	371.9	371.9	371.9p	371.9p	371.9p	371.9p
Rail carloadings of grain (thou. cars) <sup>2</sup> . . . . .	26.3	24.9	26.1	22.5	31.1	29.2	27.7	27.0	23.6	24.3
Barge shipments of grain (mil. bu.) <sup>3</sup> . . . . .	37.9	41.2	40.6	38.0	26.2	22.6	36.8	38.7	36.5	36.3
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) <sup>3,4</sup> . . . . .	262	387	551	675	516	500	617	666	792	811
Rail (thou. cwt.) <sup>3,4</sup> . . . . .	888	698	769	1,210	957	813	755	628	825	934
Truck (thou. cwt.) <sup>3,4</sup> . . . . .	7,769	7,849	7,873	9,862	6,847	6,697	7,510	8,817	9,654	10,337

<sup>1</sup> Department of Labor, Bureau of Labor Statistics, revised April 1982. <sup>2</sup> Weekly average; from Association of American Railroads. <sup>3</sup> Weekly average; from Agricultural Marketing Service, USDA. <sup>4</sup> Preliminary data for 1984. p = preliminary.



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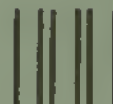
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